

MONDAY SPORTS NFL RESULTS Page 15

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In Las Vegas, It's a One-Ring Circus. Evander Holyfield, left, and Riddick Bowe shugging away unaware that a parachutist was about to drop in during the seventh round of their heavyweight championship fight in Las Vegas.

Clinton Warns North Korea Against Attack on the South

Nuclear Arms 'Cannot Be Allowed' In Pyongyang's Control, He Asserts

By Paul F. Horvitz International Herald Tribune WASHINGTON — President Bill Clinton laid down a firm marker for North Korea on Sunday, saying flatly that Pyongyang "cannot be allowed to develop a nuclear weapon" and declaring that a North Korean invasion of the South would be taken as an attack on the United States.

ing the military regime there and that an economic quarantine was also being considered. He said that U.S. troops in Somalia would resume street patrols in Mogadishu in support of the UN humanitarian mission there and would not "hunker down and stay behind walls."

Union Tactics On Trade Pact Rile President

WASHINGTON — Acknowledging that he is still 30 votes short in Congress, President Bill Clinton warned Sunday that failure by the United States to ratify the North American Free Trade Agreement would undermine his policies in Europe and Asia and slow efforts to secure global trade liberalization.

Paris, Bonn and AT&T: Phone Link-Up?

By Brandon Mitchener International Herald Tribune FRANKFURT — Three global telecommunications giants, including the state monopolies of Germany and France, are working to create an ambitious alliance and raise the stakes in the highly competitive multibillion-dollar international communications arena, industry sources said on Sunday.

phone & Telegraph Co., which has been courting European partners for an international alliance primarily serving multinational business clients, might also take a stake in the venture, sources said.

'Open' Europe Brings Influx of Heroin

By William Drozdiak Washington Post Service AMSTERDAM — More porous borders in Eastern Europe and the war in Yugoslavia's former republics have spawned an epidemic of drug smuggling through a half-dozen new routes that are conveying record amounts of heroin to West European markets, according to American and European investigators.

than now," a senior European drug intelligence officer said. The heroin influx is reflected in plummeting street prices in Amsterdam, which has long served as a major drug distribution point because of its accessibility and tolerant culture.

Powerful Turkish clans that controlled Europe's heroin market now find their turf being invaded by Russian and East European mafias. These include Serbian, Croatian and Albanian criminals who are also sending money, and in some cases weapons, to the Balkan war zone, police officials say.

A Reckless Soviet A-Bomb Test, on Film

By Marilee Simons New York Times Service PARIS — On the morning of Sept. 14, 1954, in the Ural Mountains about 970 kilometers southeast of Moscow, the Soviet military exploded an atomic bomb in the air near 45,000 Red Army troops and thousands of civilians as part of a military exercise.

The blast took place near the village of Totskoye, 600 miles (975 kilometers) from Moscow. The military's cameras recorded the explosion 350 meters (1,150 feet) in the air, with the mushroom cloud forming almost directly above troops in makeshift shelters about three kilometers from the blast's center.

THE TRIB INDEX Latin America Starting Tuesday, the International Herald Tribune will expand its coverage of global financial markets with the launch of a Latin American component of the Trib Index.

Matsushita Chief Rethinks The Winning Formula

By Steven Brull International Herald Tribune TOKYO — Since he took over as president of Matsushita Electric Industrial Co. in February, Yoichi Morishita has been warning senior executives that the formula that made the company the world's largest consumer electronics concern is obsolete.

But now many of Matsushita's strengths appear as weaknesses. The yen's 13 percent surge against the dollar this year has made the company's domestic manufacturing operations, which make up 82 percent of production, less competitive.



WEST BANK VIOLENCE — Rabbi Haim Druckman being taken to a Jerusalem hospital after being wounded in an attack on his car. The driver was killed. Page 6.

Kiosk

French Ask Recall Of Blood Products

PARIS (AFP) — Manufacturers asked the French Health Ministry on Sunday to recall two batches of goods made from plasma supplied by a German laboratory that is at the center of an AIDS scandal.

If Only Work Could Be Virtual, Too

By Barry James International Herald Tribune PARIS — The virtual office is here. Which raises the potential problem of what to do with a lot of redundant, old-fashioned office space back on earth.

to make their own working arrangements. When these employees need to work at base, they will use "nonterritorial" or "virtual" offices available to all, or book meeting rooms or videoconference facilities, a recent concept known as "hoteling."

inner cities will have to be redefined and redesigned as work habits and transportation needs evolve. "We already have a huge excess of office space in the United States just because of overbuilding," Mr. Bell said.

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# Q & A: Clout Widening, Asia-Pacific Region Is in Spotlight

In a sign of the Far East's growing power, President Bill Clinton has invited leaders of the 15 countries in the Asia-Pacific Economic Cooperation forum to a summit meeting for the first time. William Bodde Jr., the American executive director of APEC's secretariat in Singapore, discussed prospects for the meeting in Seattle on Nov. 19-20 with Michael Richardson of the International Herald Tribune.

There will also be a report by eleven Asia-Pacific economists, businessmen and former ministers, known as the eminent persons' group. They will be making recommendations on trade facilitation that will fit very nicely with the work the committee will be doing. They will also be making proposals on more visionary long-term ideas, such as an eventual free trade area for the region and the steps needed to get there.

And most of what you read, see and hear in Washington is still very Euro-centric. Americans need to become more aware of the growth potential of the Asia-Pacific and the opportunities this opens up for expanding American exports and jobs.

Q. What is the likely outcome of the summit and the meeting of APEC foreign and economic ministers that precedes it?

A. We expect two major things from the ministerial meeting on Nov. 17 to 19. One is a declaration on a trade and investment framework. That is very important because it sets up a committee that is dedicated to reducing impediments to continued expansion of Asia-Pacific trade and investment. The committee, which will have a work program, is a milestone in the evolution of APEC since it was formed in 1989. Its first step toward a more policy-making organization.

Q. What will emerge from that?

A. First and foremost, it's a chance for Asian leaders and the president of the United States to get to know each other. For some of them it will be a first meeting. It will enable President Clinton to get an impression from them of where they think APEC is, or should be, headed.

Q. How strong is opposition among East Asian members to attempts to strengthen APEC as an organization and speed up the pace of regional economic integration?

A. It varies. There is a whole spectrum of enthusiasm among the 15 member economies about how fast APEC should evolve and what it should become. The

U.S., Australia, South Korea, China and some others are pushing it ahead as a fairly brisk pace. Then there's a middle group that includes Thailand and Indonesia that does not want to move so quickly. At the other end, there is Malaysia that would like to see no, or very little, movement.

APEC is a consensus organization. It has to move ahead step-by-step, not leap over obstacles.

Q. If the Uruguay Round of global trade negotiations fail to reach a comprehensive conclusion by the Dec. 15 deadline, will that intensify efforts to turn APEC into a trans-Pacific free trade area, perhaps linking up with the planned North American Free Trade Area?

A. If the Uruguay round were to fail, I think that everybody in APEC would be concerned enough that they might well come together to figure out what to do about it and keep protectionism from overwhelming them. But it would be more damage-limitation than a substitute effort. All APEC members want the round to succeed because all have a heavy stake in the multilateral trading system.

Q. Which other countries are high priority candidates for APEC membership and what can they contribute to the group?

A. There are two — Mexico and Papua New Guinea — that are the highest priority. Then Chile.

Mexico is a major economy in its own right. With Mexico, as well as the Canada and the U.S., we will have all three members of the proposed North American Free Trade Agreement in APEC. Papua New Guinea is not the size of Mexico but it has tremendous natural resources. It would be the first Pacific island economy to join.

Chile is Pacific-oriented and would be compatible with the APEC economies. But it is not clear yet whether there is a consensus in support of Chile's membership.

Q. Mr. Clinton has talked of creating a

new Pacific community with APEC at its heart. Given the great diversity of the countries in the Pacific Basin, isn't that arousing expectations that will be difficult to fulfill?

A. I think part of the problem comes from the term "community." When many East Asians hear the word, they think of the European Community, a customs union, integration and questions of sovereignty. That is not on the agenda in the Asia-Pacific region at this time.

Economies in this part of the world are market-driven and trade-driven, not rule-driven as in the EC. You could certainly have an Asia-Pacific economic community, and maybe even a free-trade area, that would be less rigid, and less bound by rules and regulations. That's likely to be the model developed in the Asia-Pacific.

Q. How strong is opposition among East Asian members to attempts to strengthen APEC as an organization and speed up the pace of regional economic integration?

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## WORLD BRIEFS

### Mitterrand to Halt Tribute to Pétain

PARIS (Reuters) — President François Mitterrand has decided to halt an annual commemoration of Marshal Philippe Pétain, the wartime collaborator leader, which has enraged Jewish groups, officials said Sunday.

Mr. Mitterrand has had wraiths laid on the tombs of Marshal Pétain and other French World War I commanders each Armistice Day, but he led the Vichy regime that Marshal Pétain was World War II hero. In the Vichy regime, Mr. Mitterrand's decision to send a wreath to the marshal's tomb raised protests from Jewish groups and organizations representing wartime deportees and their families. The Vichy regime deported thousands of Jews to death camps in Germany.

This year, Mr. Mitterrand intends to honor "the World War I dead and their leaders," an official said, without elaborating.

### UN Weapons Team Will Go to Iran

UNITED NATIONS, New York (NYT) — The United Nations is planning to send investigators to Iran this week to search for evidence that Iraqi forces have been using poison gas and other chemical weapons against Shiite Muslim dissidents in the southern marshlands of Iran.

The investigators are being sent by the special commission charged by the Security Council with eliminating Iraq's most dangerous weapons under terms of the cease-fire that ended the Gulf War in 1991. They want to interview a small group of Iraqi refugees in Iran who report that they witnessed such attacks, officials here say.

If the investigators find convincing evidence of a chemical weapons attack and determine its precise location, the special commission plans to send another team of weapons inspectors into the marshes to take soil samples and search for additional proof that Iraqi forces had been conducting chemical warfare against the Shiites.

### U.K. Rejects Offer on Libya Suspects

TUNIS (Combined Dispatches) — The defense lawyers of two Libyans accused of blowing up a jumbo jet over Scotland in 1988 said Sunday they agreed to stand trial in Switzerland.

But Britain swiftly rejected the offer from the Libyan lawyer, Ibrahim Legwell. Asked to comment on Mr. Legwell's statement, a British official said, "It doesn't move anything."

Britain and the United States accuse Abdel Basset Ali Megrahi and Lamen Khalifa Fhimah of blowing up a Pan Am jumbo jet over Lockerbie, Scotland, on Dec. 21, 1988, killing 270 people. The Security Council is expected on Monday or Tuesday to adopt a resolution freezing Libya's financial assets and banning the transport of oil and refinery equipment. (Reuters, NYT)

### UN Seeks to Reopen Bosnia Airport

ZAGREB, Croatia (WP) — In an attempt to halt the social disintegration of the last region in Bosnia where Croats, Serbs and Muslims live in peace, the United Nations will ask the Security Council this week to order the opening of the airport in the northeast Bosnian city of Tuzla for deliveries of food and supplies, UN officials said.

The request follows the six-month suspension, brought on by fighting between Muslim and Croatian forces, of aid deliveries to the region by road. The region's estimated population is 800,000, about a quarter of them refugees.

UN officials said the United States might be asked to supply 50 air traffic controllers, radar specialists and technicians needed for the airport, and Nordic troops would provide security.

## TRAVEL UPDATE

### Strikers Disrupt Air France Flights

PARIS (AFP) — Air France long-haul flights from the Roissy-Charles de Gaulle airport in Paris were disrupted Sunday after strikers at a catering subsidiary prevented food from being loaded onto planes, the company said.

Union leaders said the disruption could continue Monday unless the catering company, Searval, met demands to reinstate five fired employees. On Sunday, flights to Tokyo and Hong Kong were canceled, a flight to Houston and Mexico was delayed until Monday and several other planes were forced to stop over in Brussels or airports in other French cities to pick up food or to allow passengers off to eat before flying on.

The action against Searval, an Air France subsidiary, was prompted by the company's refusal to rehire five workers after the reinstatement of an employee who had been fired for a more serious offense.

Security is being tightened at the Beirut airport as part of a \$55 million expansion and modernization plan. The government is seeking to improve Lebanon's image abroad and to persuade skeptics, especially Americans, that the country is no longer a haven for terrorists. (AFP)

Snow in North Bohemia and Prague lifted on Sunday after 10 days of bad weather. Czech officials said: Air pollution in Prague last week came close to exceeding permissible limits. The highest level of sulphur dioxide ever recorded in the country, 23 times the level considered safe, was measured Thursday in Medvedev in Northern Bohemia, site of six major coal-fired power plants. (Reuters)

Air France Asia, a subsidiary of the French flag carrier Air France, began direct passenger service between Paris and Taipei on Saturday, and the private Taiwanese airline EVA Airways is to begin passenger flights to Paris later this month. (Reuters)

The Mauritius Ministry of Tourism has started a campaign aimed at attracting more French and German visitors. The ministry said 17,650 German and 39,380 French tourists visited Mauritius in the first half of 1993, compared with 13,940 and 33,770 in that period last year. (Reuters)

### This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

**TUESDAY:** Pakistan.

**WEDNESDAY:** Bolivia, Panama.

**THURSDAY:** Angola, Belgium, Bermuda, Bhutan, Canada, France, Monaco, Poland, Puerto Rico.

**FRIDAY:** Sri Lanka, Taiwan.

**SATURDAY:** Singapore, Taiwan.

Sources: J.P. Morgan, Reuters.

## Yeltsin Vows to Serve Till '96

Opponents Accuse Him of Playing 'Tricks' on the Voters

By Celestine Bohlen  
*New York Times Service*

MOSCOW — President Boris N. Yeltsin has told a group of Russian newspaper editors that he will stay in office until his term expires in 1996.

The president's statement — which seems to have taken some close advisers by surprise — promptly drew fire from some of his chief opponents, who accused him of playing "tricks" with the electorate just as a campaign for seats in the new two-chamber parliament is getting under way.

There had been hints last week that Mr. Yeltsin was reconsidering his Sept. 25 decree calling for early presidential elections, which was issued shortly after he ordered the parliament to disband and hold early elections.

Mr. Yeltsin said he would not run again, but would look for a "good candidate" to succeed him. "Everybody knows how many blows I have had to sustain," he said.

That was before Mr. Yeltsin made his remarks to the editors on Saturday.

In refusing to relinquish the mandate he won in Russia's first presidential election in June 1994, Mr. Yeltsin has signaled his determination to keep a firm grip on the shifting political scene as it heads toward new parliamentary elections and the adoption of a new constitution.

"I am against holding the next presidential election in June 1994," he told the editors at a meeting in the Kremlin. "I believe the present presidential mandate should be fully used and exercised until 1996."

Dozens of electoral blocs, representing a wide range of political opinions and personal ambitions, scrambled Saturday to file 100,000 supporting signatures by midnight, the deadline set for the registration of candidates to the 450-member State Duma, or lower house.

But the campaign's official start was clouded by a report of a break-in at the headquarters of a prominent opposition party, headed by the nationalist leader Sergei Baburin, who said that lists with 20,000 signatures had been stolen.

Other parties — including the pro-Yeltsin Russia's Choice, headed by First Vice Prime Minister Yegor I. Gaidar, and a bloc led by the reform economist Grigory A. Yavlinsky — submitted their lists at the last minute on Saturday.

A draft of Russia's new constitution, also due to go before the voters on Dec. 12, was still being edited during the weekend. Details of the role and responsibilities of the parliament were being worked out.

The leader of the Agrarian Party, an opposition group that on Saturday reported gathering 500,000 signatures, assailed Mr. Yeltsin's change in plans as an "actual deception of the people."

"The people believed in the early presidential elections promised to them and declined down," said Mikhail Lapshin, the Agrarian leader, referring to the political violence in Moscow in early October. "The man who fired on the parliament should have learned on June 12 what people think about him."

Most political experts had expected that the question of early presidential elections would be left up to the new legislature.

But Mr. Filatov said that Mr. Yeltsin had the right to cancel his earlier decree, which his chief of staff described as a "forced and unnecessary compromise" that would only prolong Russia's long period of political instability.



REMEMBERING 1917 — A Russian in a Moscow suburb rolling up a Lenin poster after a rally marking the 1917 Bolshevik Revolution on Sunday. Fearing violence, the government banned demonstrations commemorating the revolution in Moscow, but peaceful rallies were held elsewhere.

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## Georgia, With Russia's Help, Turns Tide in War

By Lee Hockstader  
*Washington Post Service*

MOSCOW — Forces loyal to Eduard A. Shevardnadze, the Georgian leader, have turned the tide of the civil war decisively in the government's favor, capping a three-week offensive by taking the last stronghold of anti-government rebels fighting for his chief rival.

On Saturday, Mr. Shevardnadze's troops entered the western town of Zugdidi, near the Black Sea coast, which had been the headquarters for the ousted president, Zviad K. Gamsakhurdia, who was reported to have fled north into Abkhazia.

The latest advance by government forces marked a dramatic reversal in both Mr. Shevardnadze's political fortunes and the war, and coincides with the arrival in Georgia last week of hundreds of Russian marines.

Three weeks ago, Mr. Gamsakhurdia's forces controlled at least a quarter of the country, including more than half a dozen sizeable towns in the west. The rebels even seemed poised to take Kutaisi, a city of roughly 300,000 people, the second largest in Georgia.

On Oct. 18, Mr. Shevardnadze said his army was collapsing and appealed for Russian military help. The following day Russia agreed to

## TEST: Film of a Soviet Nuclear Blast in the Ural Mountains in 1954 Shows the Recklessness of the Cold War Era

Continued from Page 1

ic tests to see how they would function, even though many of the effects of radioactivity were known.

Records show that the United States carried out such tests in Nevada and the South Pacific. France did so in the Algerian desert, and the Soviet Union in the Arctic and in Kazakhstan. On all sides, it is now known, tests sent radioactive fallout into inhabited areas.

The Soviet Union is believed to have made 137 atmospheric tests. American and European nuclear experts say no other nuclear test anywhere has come to light that matches the scale of the 1954 Totskoye exercise.

According to the U.S. Defense Nuclear Agency, the United States conducted 235 atmospheric tests of

nuclear weapons from 1944 to 1962, exposing 200,000 military and civilian personnel of the Department of Defense to some degree of radiation.

American officials say that the amount of exposure varied because the 200,000 included support staff and other workers and that the Americans' exposure to radiation was far shorter and lower in intensity than what people were exposed to at Totskoye.

According to a report by Lifer Press Service in Moscow, the Central Intelligence Agency knew about the test by 1977 and "gained access" to the film years ago. The

U.S. Air Force published a brief account of the test early this year in its magazine.

The bomb, which had the power of 20,000 tons of TNT and was comparable to the bomb the United States dropped on Hiroshima, was set off at 9:33 A.M. on Sept. 14, 1954, between the cities of Khibyshev (today called Samara) and Orenburg in eastern Russia, the film said.

"All the guests from the Socialist countries, all the defense ministers were there," said Ivan Skvortsov, a former military officer who appears in the film. He said they watched from a mountain com-

mand post about 15 kilometers from the explosion site.

At the time, about a million people lived within 160 kilometers of the site. Nuclear specialists said the extent of the fallout would have depended on weather conditions.

Khibyshev, about 130 kilometers to the west of the site, had about 800,000 inhabitants in the 1950s, and Orenburg, about 160 kilometers to the east, had about 265,000.

Five kilometers from the site was the village of Totskoye, and about 30 kilometers away the small town of Sorochinsk, where villagers in the film said many people later

developed cancer and other illness attributed to radiation.

Similar reports have come from Americans who lived downwind from atmospheric tests, among them inhabitants of Utah and of the Marshall Islands in the South Pacific.

As the Soviet film shows troops in trenches and makeshift shelters, the narrator says that "over 45,000 personnel, thousands of cars, hundreds of guns and tanks" were coiled and camouflaged. Villagers interviewed in the Finnish documentary said women and children had been evacuated from Totskoye.

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# STATESIDE / PAYING PHYSICIANS

## Doctors' Shrinking Salary Syndrome

By Erik Eckholm  
*New York Times Service*

NEW YORK — After a quarter century of surging incomes that made many of them millionaires, American doctors now face the prospect of stable or shrinking pay.

Vulnerable to the biggest declines are specialists whose incomes have soared with the advent of expensive medical procedures — cardiac surgeons, for example, who make an average of \$575,000 in private practice, and radiologists, who make an average of \$310,000. At the same time, doctors offering primary care, who now average under \$120,000 a year, may hold their ground or see modest increases.

"The half-million-dollar-a-year doctor, I think, is in trouble now," said Dr. John M. Eisenberg, chairman of medicine at Georgetown University and chairman of an advisory group to Congress on federal payments to doctors. He predicted a leveling of pay, saying, "I suspect physicians will continue to be in the upper 1 percent of the Ameri-

can public in income, but we'll see less disparity among them."

The question of what income would be fair and reasonable is an often unspoken subtext of the health care debate. As it promotes its health plan, the White House speaks of improving medical "efficiency," not of slashing salaries. Doctors warn of the possible impact of cost controls on patient welfare rather than about what new limits portend for their own livelihoods.

New pressure on doctors' incomes is already coming from insurers, who are more aggressively negotiating discounts and challenging high bills, and the federal government, which is realigning Medicare payments among specialties as well as limiting total payments. That pressure will increase if Congress adopts anything resembling President Bill Clinton's health proposals, which would encourage more prepaid care and set limits on medical spending.

Payments for "physician services" account for only about one-

fifth of all the money spent on health care, federal data show. Clearly, restricting the pay of individual doctors offers no panacea for runaway health costs, but lower fees for many medical services will almost certainly be part of any plan for curbing health spending.

The prospect of stagnant or reduced pay has caused soul-searching and anger among many doctors and growing conflict among specialists, who are fighting for shares of a pie that no one expects will keep expanding as in the past.

What many experts consider excessive payments for surgical and diagnostic procedures may also be hamstringing patients, medical experts say, subjecting them to unneeded procedures as it drives up costs.

The most frequently cited income statistics are compiled by the American Medical Association. Its most recent data, for 1991, found an average net income among all doctors of \$171,000. Among 17 specialties listed, average incomes ranged from a low of \$112,000 for family practitioners in a high of

\$274,000 for orthopedic surgeons. But these averages mask enormous differences between and within specialties.

A more detailed and recent breakdown of incomes in 46 specialties and subspecialties provides a far more revealing picture of earnings at the upper end. These data, compiled by a medical trade association, show that a minority of doctors in certain specialties are making vastly more money than others.

Those at the high end include some, like cardiac surgeons, who have exceptionally long training, high stress and long working hours. They include others like radiologists, whose training is not as arduous and who often work normal office hours but use technicians to serve large numbers of patients at high fees.

These more detailed numbers were collected by the Medical Group Management Association in Englewood, Colorado, a trade group that includes 113,000 doctors in group practices with three or more members. These doctors make up "a fairly representative cross-section of American medicine," said David M. Gans, a senior project director at the association. Their incomes, however, tend to be somewhat higher than those of doctors in solo or academic practices.

At the high end, the group's data show that cardiac surgeons made an average of \$575,000 in 1992, and neurosurgeons an average of \$449,000. Orthopedic and hand surgeons averaged well over \$300,000, while diagnostic radiologists averaged \$310,000.

At the low end, doctors in family practice averaged \$119,000, those in pediatrics \$124,000 and those in general internal medicine \$130,000.

The association also provides a breakdown of incomes within the specialties, showing that 10 percent of cardiac surgeons, for example, made more than \$887,000, 10 percent of radiologists made more than \$469,000, and 10 percent of ophthalmologists more than \$434,000.

There is no objective way to determine how much doctors should make compared with other professions. Many doctors argue that the rise in their income over recent decades was not excessive compared with the increases in lawyers' or bankers' incomes. But those professionals make no bones that making money is one of their chief goals. Doctors defending their incomes are more apt to cite their extensive training and the miraculous benefits they offer.

## POLITICAL NOTES

### A Little Cold Water on Republican Victories

WASHINGTON — Edward J. Rollins, whose place as a Republican wise man was restored by his role in the upset victory of Christine Todd Whitman in the New Jersey governor's race, had stern advice for his fellow party members: "Republicans shouldn't start buying inaugural tickets."

The Republican sweep last week will no doubt lift morale, help fund raising and, perhaps most important for next year, aid the party's drive to recruit prime candidates. But amid their jubilation about winning all the big contests since President Bill Clinton was elected — the races last week for governor in New Jersey and Virginia and the mayoralty in New York — many Republicans agreed that the victories did little to offset the vision of a party still trying to find its ideological way since losing the White House.

Advisers to the three candidates who won last Tuesday agreed that the single element they shared was that they ran as outsiders who represented change.

Asked what the winning Republican candidates had in common, Fred Meyer, chairman of the Texas Republican Party, said, "Bill Clinton. Pressed further, he retreated to a cliché: 'They believe in less taxes, less government.'" (NYT)

### Major Parties Close on Religious Affiliations

NEW YORK — The breakdown of religious affiliations within each major political party is pretty close to the breakdown of the nation as a whole, according to an analysis issued after the elections last week.

The Democratic Party, often seen as the home of Roman Catholics, is only slightly more Catholic in make up (28 percent) than the Republican Party (24 percent) or the Independent Party (26 percent).

The Republican Party is roughly even with the Democratic Party in the number of "born again" Christians — 41 percent to 39 percent. There is a greater variation when it comes to the party affiliation of Jews. Among Democrats, 3 percent are Jewish, among Independents, 2 percent, and among Republicans, 1 percent. (NYT)

### Clinton's 'No' to Balanced Budget Amendment

WASHINGTON — President Clinton has informed Congress that he is opposed to a proposed constitutional amendment to require a balanced budget, asserting that "it would promote political gridlock and would endanger our economic recovery."

In a letter last week to the Senate majority leader, George J. Mitchell of Maine, Mr. Clinton said such an amendment would require increased taxes on working families, huge cuts in Social Security benefits and major cuts in Medicare and Medicaid. He also said the amendment would be bad economics, suggesting that whenever the economy faltered, it would force Congress to increase taxes in close a deficit, thus worsening recessions.

Mr. Clinton noted that he had pushed through a deficit reduction plan and supported a line-item veto to hold down the deficit. He said the amendment "would simply delay honest debate over" some tough budgetary decisions.

The Senate is expected to vote in about two weeks on the amendment. It would require a balanced budget in 1999. (NYT)

### Quote / Unquote

President Clinton in a broadcast interview Sunday: "North Korea cannot be allowed to develop a nuclear bomb. We have to be very firm about it. This is a difficult moment in our relationship with them, and I think a difficult moment for them." (AP)

## AMERICAN TOPICS

### Amelia Earhart's Doomed Flight

No wonder Amelia Earhart disappeared. The pioneer aviator and her navigator, Fred Noonan, vanished in the central Pacific after accomplishing two-thirds of a round-the-world flight in 1937.

According to a new film biography, which rounds up several well-known facts and which was recently broadcast by PBS, Miss Earhart, then 39, had no parachute. Mr. Noonan was a chronic drunk. Neither of them knew much about radio communication. They left their Morse code book behind. Miss Earhart transmitted clearly to the ship Itasca when she got lost, but could not find the right frequency to hear its helpful responses.

In 1932 she became the first woman to fly the Atlantic solo, and in 1935 she became the first person of either sex to fly from Hawaii to California, a longer distance than from the United States to Europe.

### Short Takes

The seven chief public-school disciplinary problems in 1990, according to Congressional Quarterly, were talking out of turn, chewing gum, making noise, running in the halls, cutting in line, dress-code violations and littering. In 1990, the seven biggest problems were drug abuse, alcohol abuse, pregnancy, suicide, rape, robbery and assault.

The syndicated columnist George Will wrote in August that "nationally, about half of all urban public-school teachers with school-age children

send their children to private schools." He repeated the figure on television a few days later. But the 50 percent figure is fiction. The Washington Post reports it was traced through several sources to a 1986 study by Denis Doyle and Terry Hardie, then of the American Enterprise Institute. But Mr. Doyle says he made no such claim. The National Education Association says Gallup polls of NEA members put the figure at 8 percent to 10 percent.

An annual award by the American Society for Prevention of Cruelty to Animals for saving an animal's life has been named after the British film producer Duncan Gibbins, who suffered fatal burns this month trying to rescue his Siamese cat from the fire that swept the Malibu area of Southern California. The cat was in shock from singed paws and cuts but otherwise was doing fine. A firefighter, Jim Goodwin, said that as the burned director was being taken to the hospital he kept asking: "Where's my cat? Is my cat O.K.?"

The Princess phone is back in all its pink, peach or ivory glory. AT&T introduced the sleek phone in 1959, and it quickly became a fixture on the nightstand of a million homes and twenty-something women. But fashions change, and AT&T dropped the Princess in the mid-1980s. Now it is making the phone again by popular demand — but with pushbuttons instead of a circular dial. An AT&T spokesman said: "A lot of people were getting choked on technology. Rather than having a phone on their nightstand that has 82 buttons that do 22 things, they wanted a phone that they can pick up and call and that's that."

The Los Angeles City Council is counting on safe banking at two automated teller machines. They were set on a trial basis up at two police stations.

### Away From Politics

● A \$5 million balloon whose American and Russian crew hoped to be the first balloonists to circle the globe nonstop had its third setback, crashing near Reno, Nevada, before taking off. Anchor bolts broke loose as workers were inflating the balloon with helium.

● A Superior Court judge in San Diego sentenced Cleophus Prince Jr., 26, to death for stabbing to death six women in a series of crimes that terrorized the city for most of 1990.

● A total of 23 General Motors assembly line workers have been arrested in Pontiac, Michigan, for selling cocaine and marijuana in two truck assembly plants.

● Jimmy Lee Smith, 62, who was convicted and paroled for kidnapping two police officers and killing one in the 1963 case that was the subject of Joseph Wambaugh's novel "The Onion Field," was sentenced in Los Angeles to 120 days in jail on a drug charge. It was the second time in two years he pleaded guilty to being under the influence of a narcotic. AP, NYT, Reuters, LAT



VIOLENCE IN PENNSYLVANIA — A crowd protesting an anti-homosexual rally held by neo-Nazi and Ku Klux Klan groups attacking a car whose occupants displayed Nazi regalia at a state park in Washington Crossing, Pennsylvania. The organizers canceled a parade after the rally.

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**Herald Tribune**

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Dennis Patrick - Time Warner Television  
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U.S. Deployment Would Be Provocative, Aiidid Warns

By Keith Richburg Washington Post Service MOGADISHU, Somalia — The Somali faction leader, General Mohammed Farrah Aaidid, warned the United States on Sunday to keep thousands of new U.S. combat troops in the capital confined to their barracks or risk "another bloody confrontation" like last month's battle in which 18 U.S. servicemen were killed and 75 wounded.

American troops now to make the capital's streets would be considered provocative and would violate an uneasy, month-long truce between U.S.-led United Nations forces here and General Aaidid's Somali National Alliance militia faction.

Clinton administration's attempts to forge a political settlement for Mogadishu appear to have temporarily stalled. Senior members of General Aaidid's militia have lately expressed mounting frustration that the United Nations did not appear to be eagerly embracing Mr. Clinton's announced policy shift toward dialogue and away from a military manhunt for General Aaidid.

Book Says Bush Tried To Conceal Iraq Aid

WASHINGTON — President George Bush personally sought to thwart congressional inquiries into secret United States arming and financing of Iraq before the 1991 Gulf War, according to a book published Sunday.

There is no negotiation for the moment, and I am not expecting any," he said. He said the UN Operation in Somalia "has lost the confidence of the Somali people" and should "give up this operation in Somalia and leave the country."

General Aaidid, at his new conference, said the prisoners had been beaten, tortured and had gone on a five-day hunger strike to protest their living conditions.

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# Fear on Blood Imperils Lives in Germany

**Reuters**  
**BONN** — Officials warned Sunday that Germany's worsening AIDS scandal could soon claim lives because thousands of patients were refusing to undergo blood transfusions for fear of HIV-tainted plasma products.

A junior health minister, Sabine Bergmann-Pohl, told a convention of doctors in Berlin that more people were likely to die as a result of rejecting essential treatment than through AIDS.

"It is one of the most tragic chapters in the history of our health service," she said.

Health experts tried to ease the panic, which has spread to Germany's neighbors, and called for a rational debate over reports that a pharmaceutical company failed to test its plasma products for HIV, the virus that causes AIDS.

"There is no AIDS scandal," echoed various doctors at the convention. "The risks have been talked up."

Health Minister Horst Seehofer has been forced to defend himself against accusations of fomenting hysteria since his call for former patients to have AIDS tests.

The Koblenz-based company UB Plasma was closed down last week and four workers arrested over allegations of sloppy testing and fears that tainted plasma may have been sold to about 80 hospitals in Germany and throughout Europe.

Millions of former patients have been gripped with fear at the thought that they may have unknowingly been infected with the AIDS virus from blood products used in routine surgery.

The public prosecutor investigating UB Plasma, Norbert Weise, told a German television station that it would take well into 1994 to clear up the company's affairs. Mr. Weise said 20,000 blood-product samples would have to be screened and about 5,000 blood donors interviewed.

He said only three cases of infection through UB Plasma products had been identified, but added: "I don't want to cause panic, but I can't rule out that further cases of infection will be revealed."

In Berlin, officials said the first test results on 4,000 samples of UB Plasma products would be published on Monday.

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warned after a 1987 inspection that donors may not have been properly screened. "The authorities were told of serious medical deficiencies and possible crimes at the Koblenz firm as far back as March 1987," Der Spiegel

said, adding that the warnings had been filed away. There was no quick reaction to Der Spiegel's report from German authorities, who have frequently faced as-yet unproven accusations of negligence on AIDS.

## An Error on Moro's Killer?

### Fresh Testimony Hints the Wrong Man Was Convicted

By Alan Cowell  
New York Times Service

**ROME** — Fifteen years after terrorists kidnapped and killed Aldo Moro in postwar Italy's most enduring national trauma, investigators have been confronted with new evidence suggesting that the wrong man was convicted of the killing and that key testimony in court cases was false.

The Moro case obsesses Italians just as John F. Kennedy's assassination grips Americans. And like the killing in Dallas in 1963, the 1978 slaying of the respected former prime minister has produced an endless stream of conspiracy theories.

If they were ever proved, however, they would almost certainly implicate politicians who are still alive. That is one reason Italians find them so fascinating at a time when the country is confronting a widespread corruption scandal and demands for political and economic change.

The affair has assumed added urgency in what seems like a resurgence of Red Brigades activity against the United States military base. The Red Brigades, one of the most ruthless of the urban guerrilla gangs in Europe in the late 1970s, was blamed at the time for Mr. Moro's kidnapping and murder.

Shots were fired last month at Aviano air base, the installation in northern Italy that is used by U.S. fighter aircraft to fly patrols over Bosnia-Herzegovina. Three suspected Red Brigades members were arrested two weeks ago along with four organized-crime suspects, and the police discovered plans for kidnappings of business executives.

Although Interior Minister Nicola Mancino dismissed the terrorists as "isolated phenomena," some commentators have expressed fears that terrorism may be reviving.

In the last month, testimony by people who took part in the Moro killing, including former Red Brigades terrorists, has contradicted the version of events accepted by the courts when the killers and kidnapers came to trial.

Most dramatically, Adriana Faranda, a former Red Brigades terrorist, has told investigators that Prospero Gallinari, the man convicted of killing Moro after his 55 days in captivity, did not carry out the slaying, even though Mr. Gallinari has said repeatedly that as a Red Brigades member, he accepts responsibility for it.

Ms. Faranda has identified another person, Germano Maccari, as the long-suspected so-called fourth man who was overseeing Mr. Moro's imprisonment in a Rome apartment. Previously, only three Red Brigades terrorists were positively identified as the captors who stayed with Mr. Moro throughout his ordeal.

Mr. Maccari had not previously been brought into the Moro investigation, and he has denied the charges of murder, kidnapping, and membership in a terrorist group brought against him as a result of Ms. Faranda's testimony.

Ms. Faranda's version has been contradicted by another former Red Brigades terrorist, Mario Moretti, who broke a long silence on the affair when he said in an interview with two Italian journalists published two weeks ago that he alone had fired the fatal shots "I would never have allowed anyone else to do it," Mr. Moretti said.

Ms. Faranda indicated that both Mr. Maccari and Mr. Moretti carried out the murder.

Mr. Gallinari, the convicted killer, has dismissed the whole controversy. He is serving a life sentence.

Mr. Moro was kidnapped and five of his bodyguard were killed on March 16, 1978, as he drove to parliament. Fifty-five days later, he was shot and killed in the garage below the apartment where he had been held, and his body was found later in the trunk of a car parked in central Rome.

At the heart of the mystery is the question of what Mr. Moro told his captors. According to Francesco Biscione, the author of a study of Mr. Moro's responses to their questions, sections of what the politician wrote may have been mysteri-

ously excised from versions found in a Red Brigades hideout in Milan in 1978 and 1990.

"In two instances, when they referred to the secret services in Libya and the relationship between Andreotti and the secret services, the texts seemed to be incomplete," Mr. Biscione said, referring to Giulio Andreotti, who was prime minister at the time of the kidnapping and whose government rejected Mr. Moro's entreaties for the authorities to negotiate with the Red Brigades for his life. "This is an indication, but not proof, that something is missing."

Two people thought to have seen the full texts of Mr. Moro's responses — Mino Pecorelli, a journalist, and General Carlo Alberto Dalla Chiesa of the Carabinieri — were subsequently killed. A Mafia informer, Tommaso Buscetta, has accused Mr. Andreotti of ordering both killings. Mr. Andreotti has termed the charges "falsehood and lies."

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Kurds in their burned-out shelter picking over the remainder of their belongings after an arson attack destroyed it. No one was hurt.

## Kurd Refugee Shelter Set Ablaze in Germany

**STUTTGART** — A home for Kurdish refugees was destroyed by fire, and in a separate incident Russian war graves were vandalized during the night, German policemen said on Sunday.

In Potsdam, tombstones in a cemetery for Russian soldiers who died in World War II were uprooted and Nazi symbols scrawled on a monument during the night.

In Waldshut in Baden-Wuerttemberg state, a portable shelter was set on fire Saturday by unidentified assailants, but none of the 14 asylum seekers living there was injured.

Up to 30 people have died, many of them foreigners, in a wave of neo-Nazi violence that has swept Germany since the unification of East and West in 1990.

In Bonn, the police said the leader of a far-right party was beaten up by suspected leftist Friedrich Busse, 73, the leader of the Free German Workers Party, apparently was recognized when he visited an information booth run by leftist groups. He lost several teeth.

Health Minister Horst Seehofer has been forced to defend himself against accusations of fomenting hysteria since his call for former patients to have AIDS tests.

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## German Justice 'Blind in the Right Eye'

By Stephen Kinzer  
New York Times Service

**BERLIN** — When the police quickly released four of the five skinheads accused of beating an American athlete a week ago, they were acting under criminal justice policies that are coming under increasing attack here.

Many politicians and criminologists complain that the German legal system is "blind in the right eye," meaning that the police, prosecutors and judges tend to be lenient with rightists or neo-Nazis.

"We are seeing the result of trends that have existed here for decades," said Hermann Blei, a law professor at the Free University in Berlin. "Punishments for violent crimes have become progressively less severe. When there is a political motive, a rightist defendant is usually treated more gently than one who comes from the left."

Anger over the release of four of the young men accused of beating the American athlete, Duncan Kennedy, was in part a result of the international scandal that was touched off by the incident. But it also came after several other cases that have focused attention on the criminal justice system here.

Last month, two men accused of setting a fire at the former Sachsenhausen concentra-

tion camp were found not guilty. Both had confessed to the crime, but later said their confessions had been extracted under pressure. "The fact is that prosecutors presented a very weak case, and it does not speak well of them that they relied only on the confessions," an angry state legislator, Frank Werner, said after the verdict.

The director of the foundation that supervises memorials to victims at Sachsenhausen and other concentration camps near Berlin, Jürgen Dittberner, called the verdict "a tragedy for the German justice system."

Anger at the outcome of the Sachsenhausen trial was heightened because the verdict came as the defendant in another highly publicized assault case was also set free. That defendant confessed to stabbing the tennis star Monica Seles in a successful attempt to remove her from competition and allow his idol, Steffi Graf, to regain her top ranking.

A judge ruled that the assailant was not responsible for his actions because of his mental condition at the time. He was set free unconditionally, with the judge even declining to forbid him from attending future tennis matches.

After the two verdicts were announced, Germany's largest-circulation newspaper,

Bild, denounced them with a front-page headline that said, "Fifty Justice — Criminals Do Fine, but Watch Out if You Park Illegally."

In another verdict that aroused much public anger, a judge in Dresden sentenced three defendants found guilty of killing a Mozambican laborer. Two were given probation and fines, and the third was sentenced to two and a half years in prison.

These cases contrast sharply with the treatment accorded members of the leftist Red Army Faction who have been convicted of serious crimes. Many have been given sentences that stretch into decades, and some are serving "life-plus" terms. Ingrid Moller, for example, who was found guilty of taking part in groups that committed murder, is serving a term of life plus 15 years.

"There has been an outcry at the way the German justice system operates, and I am glad about that," said Jutta Limbach, Berlin's chief prosecutor.

Chancellor Helmut Kohl has said he will stress the crime issue in the federal elections next year. His government recently proposed a package of new laws, including one that would raise the maximum penalty for inflicting an injury that is not life-threatening from three years to five years.

Health Minister Horst Seehofer has been forced to defend himself against accusations of fomenting hysteria since his call for former patients to have AIDS tests.

The Koblenz-based company UB Plasma was closed down last week and four workers arrested over allegations of sloppy testing and fears that tainted plasma may have been sold to about 80 hospitals in Germany and throughout Europe.

Millions of former patients have been gripped with fear at the thought that they may have unknowingly been infected with the AIDS virus from blood products used in routine surgery.

The public prosecutor investigating UB Plasma, Norbert Weise, told a German television station that it would take well into 1994 to clear up the company's affairs. Mr. Weise said 20,000 blood-product samples would have to be screened and about 5,000 blood donors interviewed.

He said only three cases of infection through UB Plasma products had been identified, but added: "I don't want to cause panic, but I can't rule out that further cases of infection will be revealed."

In Berlin, officials said the first test results on 4,000 samples of UB Plasma products would be published on Monday.

The Marburger Bund state doctors association said it was shocked at the "criminal energy" with which some plasma firms had breached regulations "out of greed for profits."

Italy, Switzerland and Austria have recalled blood products that might have originated from UB Plasma, and Sweden has banned imports of the company's products. The newsmagazine Der Spiegel

# WHAT MAJOR LINK BETWEEN ENGLAND AND FRANCE HAS JUST OPENED?


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OUR DEDICATION GOES FURTHER

# Israel and Jordan Reportedly Reach 'Understandings'

By Clyde Haberman  
New York Times Service  
JERUSALEM — King Hussein of Jordan and Israel's foreign minister, Shimon Peres, were reported Sunday to have signed "understandings" on economic ties and other forms of cooperation at a secret meeting in Amman.

The reported understandings, neither denied nor confirmed by senior Israeli officials, fall short of a draft peace treaty. The neighboring countries are technically in a state of war, but they have had secret high-level contacts for decades and presumably could make a formal peace in short order.

But several officials told The Jerusalem Post that documents of some sort had been signed last week on economic cooperation and other issues, suggesting a big step toward an eventual treaty.

"We are very near, apparently, to having an agreement," Mr. Peres, whose meeting with the king lasted nine hours, said in Jerusalem on Saturday night.

A looming question, other officials here cautioned, is how far and how fast King Hussein is prepared to go. It was not clear, they said, if agreed cooperation between the two countries could actually take place before a formal treaty. It is debatable, they added, whether the king would be so bold as to sign such a treaty before Israel comes to terms with Syria, whose separate peace negotiations with the Israelis have been stalled for months.

Officials here said they may have a better idea of where they stand after Monday, when Jordan is to hold its first multiparty general elections in nearly four decades. A surge of public support for Islamic fundamentalists could complicate negotiations, the officials said.

On another front in Israel's four-track peace talks — with Jordan, Syria, Lebanon and the Palestinians — negotiations with the Palestine Liberation Organization were set to resume in Cairo on Monday after a suspension of nearly a week. In another five weeks, under

terms of a "declaration of principles" signed with the PLO at the White House in September, Israel is supposed to begin withdrawing its forces and transferring civil authority to the Palestinians in the occupied territories, starting in the Gaza Strip and the West Bank city of Jericho. Hammering out critical details has not been easy, however, and some officials here doubt that negotiators will meet their Dec. 13 deadline unless the pace picks up.

At immediate issue is whether ambiguous wording in the agreement requires the Israelis to withdraw their soldiers completely, as the Palestinians say, or instead to redeploy them within Gaza and the Jericho district, which is the Israeli interpretation. Palestinian delegates broke off the talks last Tuesday after objecting to an Israeli redeployment plan that they say would leave Israel controlling nearly half of the coastal strip's 151 square miles.

But officials said that the bargaining would begin again in Cairo on Monday, a shift from the Egyptian Red Sea resort of Tabu, intended to make it easier for negotiators to avoid journalists.

**Rabbi Wounded in Attack**

Palestinian attackers Sunday sprayed gunfire at the car of Rabbi Haim Druckman, a former member of the Israeli parliament who is a leading advocate of Jewish settlement in the occupied territories, wounding him and killing his driver. The New York Times reported from Hebron in the Israeli-occupied West Bank.

The drive-by shooting at the car of Rabbi Haim Druckman was the sixth slaying of an Israeli in the territories since the signing of the Israeli-Palestinian agreement in September. It unleashed a fresh wave of retaliatory violence by Jewish settlers outraged by attacks by Arabs opposed to the accord.

In Hebron and elsewhere in the West Bank and in the Gaza Strip, settlers torched Arab-owned vehicles and smashed their windows, blocked highways with burning tires and stoned Arab homes.



ROLL JORDAN — Backers of an Islamic candidate in Jordan shouting support Sunday at a rally in Zarqa as preparations were made for Monday's vote, the nation's first multiparty election since 1956.

# DRUGS: In 'Open' Europe, Heroin Trade Mushrooms

Continued from Page 1

because of lax controls and desperate cash needs in Eastern and Central Europe.

The Albanian connection may be the most troubling new heroin route, because of potential implications for ethnic warfare in Yugoslavia and its former republics. Western governments have long feared that violence could spread from Bosnia to Kosovo, which is populated overwhelmingly by ethnic Albanians but harshly ruled by Serbs.

Mr. Due said Kosovo clans have sold heroin and bought Kalashnikov automatic rifles and Uzi sub-machine guns in Switzerland over the last three years. He said Swiss policemen had snatched the weapons purchases but not drug profiteering by the Albanians.

"We know a lot of money is now leaving Switzerland for the former Yugoslavia," Mr. Due said. "But we don't know exactly who is getting it, or where the weapons have ended up. These Albanians in jail

rarely talk with us and seem to be part of a very disciplined mafia."

Western sources in Vienna confirmed the reports of Albanian arms smuggling but said they believed it was on a relatively small scale.

European specialists, however, say they fear the guns acquired by the Kosovo mafia may foreshadow guerrilla warfare.

Alain Labrousse, director of a Paris-based research group that monitors global drug trafficking, said the Albanians had enlisted assistance from Serbs in neighboring villages along the Kosovo frontier to help with their smuggling operations.

"It reminds me of the Lebanese civil war, when Shiites and Sunnis and Maronites were all fighting each other but continued to cooperate in drug traffic," he said. "It shows again that money is more important than war and ethnic hatred."

Continued from Page 1

Mr. Clinton said the ratification vote, which comes on the eve of his trip to Seattle to meet Asian leaders.

"If we go out there without this agreement," the president said, "they may say: 'Well, President Clinton wants to have an open door to Asia, but is he really going to be a tough competitor? They ran away from Latin America, their best friends and best consumers, and can he deliver? Will the Congress run away from it even if he tries to end trade?'"

Many opponents of the pact, he said, still favor a global trade liberalization agreement, known as the General Agreement on Tariffs and Trade.

"They should consider how much harder it's going to be to get GATT if the House votes NAFTA down and how much easier it will be to get GATT if the House adopts NAFTA," Mr. Clinton said.

According to one theory, a NAFTA victory would place Mr. Clinton in a strong enough position on trade to gain agreement on an Asia-Pacific statement calling for freer trade in the region. This, it is thought, would further isolate France in the GATT negotiations and help secure a global accord by the mid-December deadline.

Passage of the North American pact, Mr. Clinton said, "will be a clear statement to Asia, number one, that the United States is not withdrawing from the world."

"We are determined to be the world's leading economic power by

# NAFTA: President Riled

Continued from Page 1

bor's lobbying efforts, which he said were greater than those of the business establishment. The unions, he said, have mounted "relentless" opposition, telling lawmakers in private that "they'll never give them any money again, they'll get them opponents in the primary."

In addition to organized labor's "real roughshod, muscle-bound tactics," the president said, "a lot of the business supporters of NAFTA have not gotten their employees and rank-and-file people to call and say they're for it."

Coming from a Democratic president, his characterization of labor's role in the lobbying was unusual.

"I can't tell you how important I think it will be," Mr. Clinton said of the ratification vote, which comes on the eve of his trip to Seattle to meet Asian leaders.

"If we go out there without this agreement," the president said, "they may say: 'Well, President Clinton wants to have an open door to Asia, but is he really going to be a tough competitor? They ran away from Latin America, their best friends and best consumers, and can he deliver? Will the Congress run away from it even if he tries to end trade?'"

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"We are determined to be the world's leading economic power by

# Life at the White House Sometimes Gets Lonely

Compiled by Our Staff From Dispatches

WASHINGTON — President Bill Clinton expressed frustration Sunday at the isolation of life in the White House, saying he sometimes felt "out of harmony with the American people."

A presidential jog involves a coterie of Secret Service agents and two vans of reporters — a reflection on the White House life that Mr. Clinton said he finds confining.

"I don't know whether it's the finest public housing in America or the crown jewel of the prison system," he said of the White House.

Mr. Clinton, who jogs six days a week and has reportedly changed his eating habits to lose weight, said he was making some headway. "I've lost weight and lost, I don't know, two or three inches off my waist," he said.

He also said he was willing to sign a "living will" and make its contents public. Living wills allow people to order their doctors to pull the plug instead of prolonging their lives by artificial means in case they become unconscious or incapacitated. (Reuters, AP)

competing and winning, not from running away," he added.

"Number two," the president continued, "I'll be able to say what I have been saying to the Asians: Asia's important to us, but we want free trade. We want access to your markets. They will see us developing the NAFTA market, which is not just Mexico, it's Latin America, Canada, the whole nine yards, and that will be enormous pressure on them to conclude these world trade agreements, these GATT talks, by the end of the year. It will also help us with Europe to do that."

A potentially pivotal moment in the campaign for NAFTA may come Tuesday night, when Vice President Al Gore and Ross Perot debate the pact on a television talk show. Mr. Perot, the billionaire businessman and former presidential candidate, has vigorously campaigned against the treaty, saying it would result in a job rush to Mexico, where labor costs are lower.

Mr. Dole, who supports the trade accord, said it was a "big mistake" for the White House to go up against Mr. Perot.

"It seems to me that they need to focus on about 30 to 40 Democrats and Republicans who are undecided," Mr. Dole said. "I'm not certain at this point you can go out and rally public opinion."

He said that if the trade pact did not pass, it would be difficult for Mr. Clinton to explain the failure at his meeting with Asian leaders.

One potential result of Mr. Clinton's comments on union influence is to create a political albatross for lawmakers leaning against the trade accord. Few would want to be branded later as having been under the influence of a powerful lobby like organized labor.

In recent years, unions have not been popular with the public, and powerful lobbies in general have come under attack. — PAUL F. HORVITZ

# CLINTON: Korea Warning

Continued from Page 1

current United Nations embargo covers oil and weapons.

The other path, he said, is to "get all the other nations of the world to side with us in freezing the assets of the wealthy Haitians who are plundering that country, keeping democracy from taking root, and supporting the police chief and the military."

Washington has apparently failed so far to gain such cooperation, although Mr. Clinton said he viewed the freezing of assets as the preferable course.

Mr. Clinton was asked why his rating in public opinion surveys is suffering, and his answer suggested some unique at news organizations.

"I do not know what the answer to this is," he said, "but I know this: I believe that when historians look at this first year, they will be hard pressed to find many first years of presidencies that equal ours."

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# BOOKS

**HELL OF A RIDE: Backstage at the White House Follies, 1989-1993**  
By John Podhoretz. 249 pages. \$21. Simon & Schuster.

Reviewed by Christopher Lehmann-Haupt

HOW did George W. Bush go from being one of the most popular presidents in modern history in March 1991 to being voted out of office 18 months later?

In "Hell of a Ride: Backstage at the White House Follies, 1989-1993," John Podhoretz, a professional speech writer with a wit (verging on occasional silliness) that makes you wish all political studies could be this light-hearted and succinct.

Working his way up the White House chain of command like some particularly corrosive form of rust, Podhoretz performs a Parkinsonian dissection of bureaucratic inertia that probably applies to any failing enterprise on the globe.

In his most outrageous chapter, "In and Out of the Loop, or, the Gnomish Gnostics Meet Skull and Bones," the author compares Richard Darman, the director of the Office of Management and Budget, and John Sununu, the White House chief of staff until late in 1991, to the early Christian Gnostics "who believed there was a hidden meaning to the words of Jesus only they could decipher by mystical knowledge with which only they had been endowed by God."

Then Podhoretz refers to Bush's version of his Yale secret society Skull and Bones as he writes, "In the end, the Gnostics and the Skull and Bones types (Bush, Brady and others) had a strange symbiotic relationship, like an alliance between the nerds and the jocks at some Ivy school."

He continues: "The Skull and Bones boys went off and made the big plays in the big games in Panama and Iraq. The Gnomish Gnostics did the jocks' homework (domestic policy), and when even that wasn't enough, they went into the computer system and changed their C's to A's."

But the relationship didn't work. "The Skull and Bones boys may

have made a couple of big plays in Iraq, but they never won the game."

Taking more serious aim at the Bush presidency's failings, Podhoretz suggests that Bush suffered for what he describes as a betrayal of the Reagan revolution. Where Reagan was "the Teflon president," to whom no blame adhered because he always contended that the system was out of control, Bush became "the Velcro president," to whom everything stuck, "because he reveled in the fact that he was the king of Washington, the insider's insider."

When the Reaganites were abandoned by Bush's followers, Podhoretz writes with a certain excess, "they came to hate Bush with the bottomless rage of a shy and awkward straight-A coed who, courted aggressively by a Big Man on Campus she does not trust, receives flowers and candy and love poems, and with some misgivings allows herself to be taken to bed; whereupon, the seduction complete, he rises quickly and is out the door to spread the word that she is easy, she is anybody's for the taking."

Of course, all this is written from the perspective of someone with recognizable right-wing credentials.

Podhoretz worked in the Reagan administration and has worked at The American Spectator and The Washington Times. In an afterword, he thanks the Lynde and Harry Bradley Foundation and the John M. Olin Foundation for letting him write the book and delay "the more scholarly project they had initially funded."

All the same, his argument makes sense. In his next to last chapter, "The

WHAT THEY'RE READING

• Mary Blair, of Fidelity Investments, Europe, is reading "An Evil Cradling" by Brian Keenan, a former hostage in Lebanon.

"He didn't just relate what happened to him; he tried to explain what happened to him mentally. He was trying to analyze his own reactions to captivity. It's much more powerful than a straight recounting of what happened."

(Conrad de Aentle, LHT)

# BRIDGE

By Alan Truscott

ONE of the minor mysteries of bridge history concerns two articles that appeared in "The Bridge World" in 1970. It concerned a convention that quickly became popular, calling for an artificial bid of two no-trump to demand a three-club rebid after a one-no-trump opening has been overcalled.

The real originator remains unknown, though the credit for popularizing it goes to the author of the articles, George Boehm of Manhattan, who died in October, at the age of 71.

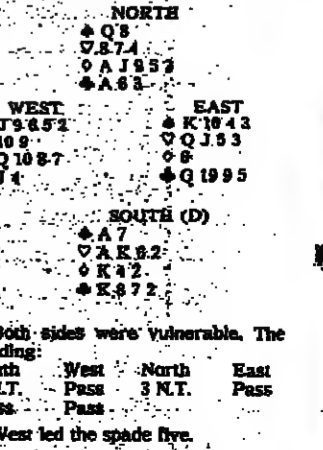
The diagrammed deal occurred in a game Boehm played many years ago. Boehm as South landed quickly in three no-trump, and was in jeopardy when a spade was led to the queen, king and ace. He had to solve the problem of the diamond

suit, and thought carefully after cashing the king and leading toward the dummy. Where was the ten?

When West followed suit on the second round, the only missing cards were the queen and ten. If they were both in the East hand, there was nothing to be done, so it was necessary to decide whether West now remained with the queen, the ten, or both honors.

If East had begun with 10-6, he would have dropped the ten to suggest an original queen-10 doubleton. And if West had begun with 10-8-7 he would have played the 10 on the second round to encourage a finesse.

But if East had begun with a singleton, no falsification was possible. So Boehm finessed the nine, and was rewarded for his shrewd psychology. The nine won, and it



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# New Blow In Japan's Scandal

## Shadow Is Cast On the Coalition

By James Stergold  
*New York Times Service*  
TOKYO — The top strategist of Japan's new reform-minded government has been implicated in a bribery scandal that has claimed several dozen local politicians and construction executives, casting a shadow over the future of the governing coalition and of Prime Minister Morihiro Hosokawa.

The strategist, Ichiro Ozawa, whose defection from the Liberal Democratic Party in June helped end 38 years of one-party rule in Japan, confirmed reports that he had accepted a cash contribution equal to \$46,000 from a construction company late last year. The reports said Mr. Ozawa had been paid the sum twice a year for several years, but he confirmed receiving the money only once.

Most of the top executives of the company, Kajima Corp., have recently been arrested on charges that they bribed mayors and prefectural governors to obtain lucrative public-works contracts. Politicians are prohibited from accepting more than 1.5 million yen, the equivalent of \$14,000, from any one company in a year. But the rule is routinely skirted by having large contributions broken up and offered to "support groups" that influential politicians use to build huge campaign chests.

Although acknowledging the contribution, Mr. Ozawa's office said last week that it did not believe the payment was illegal and that it was investigating.

"It was a legitimate donation," Mr. Ozawa snapped at a group of reporters shadowing him. "Whether the payment does prove illegal or not, it could not have come at a worse time for Mr. Hosokawa's government, which came into office in August pledging to clean up Japan's corruption-ridden political system."

Mr. Hosokawa vowed that he would step down if he did not pass a package of sweeping reforms of the electoral and campaign financing laws this year. To meet that deadline, he must bring debate to a close and begin moving the legislation within a week.

But with the news of the payments to Mr. Ozawa, a behind-the-scenes power broker in the new government, some opposition politicians from the Communist Party have demanded that he testify before parliament.

A debate on this issue could tie up parliament and delay the legislation on political reform. That promises to transform the next few days into a tense drama on which the future of Japanese politics could hinge.

The two previous governments fell after failing to fulfill pledges on electoral reform, which would create a new single-seat districting system and tighter campaign contribution limits. Mr. Ozawa's admission has thus presented a crucial test for the diverse coalition of Socialists and conservatives led by Mr. Hosokawa.

### Teachers in Seoul Protest

*The Associated Press*  
SEOUL — More than 6,000 teachers and supporters rallied Sunday to demand the reinstatement of teachers dismissed for defying the government's ban on their union activities.



Prime Minister James Bolger, with his wife, Joan, addressing supporters in Te Kiri, New Zealand, after the election setback.

# New Zealand Governing Party Rebuffed in Vote

*The Associated Press*  
WELLINGTON, New Zealand — Voters have delivered a stinging rebuff to New Zealand's ruling National Party, an unexpected result that left the House of Representatives without a clear majority.

The government's harsh economic measures were seen as largely to blame. At the end of provisional counting, the National Party had 49 of the legislature's 99 seats, the opposition Labor Party had 46, and two small new parties, the Alliance and New Zealand First, had 3 each.

Election officials said that the final outcome would not be declared for 10 days and that the fate of several seats could change with further counting of absent voters' ballots. Two million votes were cast on Saturday.

Before the vote, the National Party had a 37-seat advantage over Labor, and opinion polls during the past week had pointed to a narrow National victory.

Despite the uncertainty, both Prime Minister James B. Bolger and the Labor leader, Michael J. Moore, claimed that they would be able to form governments with the cooperation of the smaller parties.

Analysts, however, warned of a possible

hung legislature since the smaller parties were likely to split their support.

"There is no political crisis in New Zealand," Mr. Bolger, 53, said late Saturday in a speech aimed at minimizing electoral fallout on financial markets.

He said New Zealand needed a stable government to ensure that "investors and potential investors do not take fright."

But Mr. Moore, 44, said that the National Party had no mandate to stay in power and that Labor would proceed with plans to take office.

"There has to be a new way now," he said. "The government is being rebuffed."

China and Taiwan fail to make headway

China and Taiwan closed six days of talks Sunday with no formal agreements on how to handle the increasingly frequent problems of illegal immigration, fishing disputes and hijackings.

"The talks have to go through a process," Shi Hwei-yun, deputy secretary general of Taiwan's Straits Exchange Foundation, said by telephone from Xiamen, the coastal mainland city where the

talks were held. "At the very least, each side now understands where the other side stands." While the semi-official delegations were talking, a Chinese man hijacked a passenger plane to Taipei. Friday's hijacking, the fifth this year, demonstrated the need for agreement on handling such cases.

Previously, Beijing had insisted that mainland hijackers be sent back under an existing agreement on repatriating criminals, but Taipei had refused, saying it would repatriate them only if a separate agreement was reached.

Mr. Shi said Sunday's talks made little headway. One obstacle was Taiwan's insistence that it have the right to refuse to repatriate those who hijack planes to Taiwan for political or religious reasons. Earlier, talks snagged on setting up mediation bodies to resolve fish-

ing disputes because of Beijing's fears that doing so would be amount to recognizing Taiwan's sovereignty. Fishing boats from one side of the Taiwan Strait frequently enter waters controlled by the other side's military. The two sides also discussed speeding up repatriation of mainland citizens who enter Taiwan illegally, but disagreed on technical issues. The mainland side demanded that its officials be allowed to visit the illegal emigrants before their repatriation, which Taiwan said was unnecessary. Taiwan wants Beijing to pay part of the \$3.7 million it spends annually to feed, house and repatriate mainlanders.

# China's Water Is Drying Up

## Shortages in North Are a Spreading Threat

By Patrick E. Tyler  
*New York Times Service*

ZHOU CHANG, China — Heaven River dried up 20 years ago. Canals no longer bring water from Beijing's reservoirs. And it has been more than a decade since anyone could afford to fill a rice paddy.

But Xing Shuqin, 53, gestured over her donkey to the wheat field beyond and said: "We don't have a water problem, because we have a well. See, the wheat is growing just fine."

But in the same breath she conceded that her confidence in the future water supplies in this country was beginning to waver, as it is for millions of peasants in northern China where even the wells are drying up.

Water Resources Minister Niu Maosheng said recently in Beijing that "in rural areas, over 82 million people find it difficult to procure water."

And more and more water supplies are suffering from industrial pollution or contamination by pesticides.

In urban areas, shortages are worse. More than 300 Chinese cities are short of water, and 100 of those are very short, Mr. Niu said.

At a time when China's population of 1.1 billion is enjoying a harvest of plenty relative to any other time in its history, a growing number of environmental scientists are concerned that the country's water resources and farmlands will not be able to keep up with the demands being placed on them to feed ever more robust expansion.

"What is at stake here is the ecological underpinning of Chinese society," said a physicist who is spending a year in China studying scientific issues for the U.S. State Department.

China's water predicament is not unique. Dozens of countries, particularly in the Middle East and Africa, face diminishing water resources and fast-growing populations. Even in the United States, a large aquifer that irrigates the wheat and corn belt in the Midwest has suffered serious depletion.

But as in everything, China's size magnifies any shortage. With 22 percent of the population of the world, China has just 8 percent of

its resources and 7 percent of its arable land.

A study by World Bank scientists last year warned that "the increasing pressure on this limited resource base to feed, house and meet the energy needs" of the Chinese was rapidly destroying "whole ecosystems" and threatening to put the brakes on China's current economic boom.

Soil quality and water scarcity are major issues in these new analyses.

In Daxing County, about 30 miles south of Beijing, the peasants have been growing rice and wheat for millenniums. In the villages around Heaven River, no one can remember a time when water was so scarce.

Leaning on his shovel in the big empty pond in front of his new house, Tian Jie, 69, said water used

to be so plentiful that villagers raised fish in ponds like the one he was standing in.

But Mr. Tian is converting his old pond into a vegetable garden, and he hopes there will be enough water from the nine wells that serve his village to irrigate it next spring.

The villagers here, most of them peasants, offer a range of opinions about why the water supplies have been drying up.

Mr. Tian seemed to think a combination of declining rainfall and increasing demands for water from Beijing's urban sprawl were the culprits.

Down the dirt rut that passes for a main street in Zhao Chang, where Mr. Tian lives, the village Communist Party secretary, Tian Wanling, said that the region was only suffering from a "historic drought."

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# China and Taiwan Fail to Make Headway

*The Associated Press*

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# ASIA & THE PACIFIC Merging Business & the Environment

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DECEMBER 2

**KEYNOTE ADDRESS**  
H.E. Chuan Leekpai, Prime Minister, Thailand

**THE CORPORATE RESPONSE TO THE GREEN AGENDA**  
David R. Chitwick, Environment & Safety Engineering Vice President, AT&T, New Jersey  
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**POLE TO POLE**  
Michael Palin, Writer, Actor, Circumnavigator and Author of "Pole to Pole" and "Around the World in 80 Days," London

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Should the World Take a Hard Line With North Korea?

North Korea Should Listen

The door is half open, and the prospect on the other side is dauntingly plain: a nuclear North Korea and behind it, in all likelihood, a nuclear Iran followed by nuclear X, Y and Z.

There is pretty solid scientific evidence that Kim Il Sung and his son, Kim Jong Il, have secretly assembled the means to make a nuclear weapon.

It may be bluff. But the North Korean leaders are an explosively unpredictable pair. And in the past year they may have been given reason, alas, to believe that it was the rest of the world that was bluffing.

INTERNATIONAL HERALD TRIBUNE

Lessening the Nuclear Risk

For years, the Soviet Union said it would use nuclear arms only in retaliation against a nuclear attack. But its military posture and practices never corresponded to that stated policy.

Now both sides are reaching the same sound conclusion: that it would be prudent to take the nuclear forces off alert and adopt other, fail-safe measures.

Leonid Brezhnev of the Soviet Union promulgated "no first use" in 1982. But despite its public promise, Moscow kept its nuclear forces in excess positions and on hair-trigger alert, ready to launch them rather than ride out a U.S. attack.

For a Tolerant Islam

Aside from Salman Rushdie himself, no one has suffered more from the effects of the death decree against him than intellectuals and artists within the Muslim world.

That latter question — whether Islam will change, or a reformed version of it develop in the modern world — is of keen interest to a vast audience, but to one more than to Muslims who, like Mr. Ben Jalloun, say they were taught a "tolerant Islam" that has nothing to do with the current emphasis on repression.

Other Comment

Slump in Anglo-Saxon Japan

It used to be claimed that there were two types of capitalist economy: Japan, and everyone else. The claim was never well founded, but every passing month of Japan's recession suggests that there is now a new way to divide the rich industrial economies into different camps.

No, Work Out the Crisis

By Dave McCurdy

The writer is a Democratic member of the Armed Services Committee of the U.S. House of Representatives.

WASHINGTON — Still reeling from crises in Somalia and Haiti, the Clinton administration faces another foreign test, this time in North Korea. Defense Secretary Les Aspin's trip to Asia last week brought heightened attention to North Korea's nuclear weapons program.

International Atomic Energy Agency inspectors found last year that North Korea may have reprocessed plutonium at least three times, not just once, as it has claimed.

Clinton's in Alphabet Soup: NAFTA, APEC, GATT, NATO

By Jim Hoagland

WASHINGTON — Don't put all your money on any Al Gore-Ross Perot debate on NAFTA setting that issue.

No matter the outcome of any such debate, the White House cannot hope to gain a winning edge on the emotional and confusing issue of the number of jobs that NAFTA will allegedly eliminate or add.

The "will too" will not exchanges on jobs helped the administration on an issue it could not dominate.

across Japan and South Korea and could provoke North Korea to a realization on Seoul.

A hard-line approach would lead to new arguments with China, South Korea and Japan, all of which prefer diplomacy to threats.

The challenge is to avoid a showdown while holding firmly to our demand for thorough inspections. The goal should not be to eliminate all risk — that is impossible — but to keep the North from obtaining more plutonium and from turning the nuclear material it has into weapons.

What should we do? First, no reinvent sanctions that already exist. The United States, Japan and South Korea already deny North Korea economic and political contacts, and Russia has placed trade on a hard-currency-only basis.

We should give them face-saving incentives to allow inspections. We could let them inspect U.S. military bases in South Korea, to verify that no tactical nuclear weapons are present.

Yes, Threaten Sanctions

By Zalmay M. Khalilzad

WASHINGTON — North Korea is playing a frightening game of cat and mouse in its efforts to build nuclear weapons without risking significant reprisal from the international community.

The bomb program came to international attention last winter, after the International Atomic Energy Agency detected that North Korea was diverting fissionable material from its civilian nuclear program.

To determine how much diversion had occurred, the agency demanded to inspect two sites. The North Koreans refused and threatened to withdraw from the Nuclear Nonproliferation Treaty.

After breaking off discussions with the agency, the North Koreans expressed a willingness to talk with the United States again.

Time for China to Address Worries About Its Military Intentions

By David Shambaugh

LONDON — When Asia-Pacific leaders gather in Seattle next week for their first summit, economic and trade issues will dominate the agenda.

China is a source of considerable anxiety to other Asian countries. In recent years its defense doctrine has shifted from interior defense to frontier defense, and now to long-distance projection of power.

share, but large amounts are being spent on the PLA as well.

Most worrying for neighbors are the weapons that the PLA is negotiating to buy from Russia, Ukraine and other states of the former Soviet Union.

Beijing is seeking some of the most sophisticated Soviet weapon systems, including backfire supersonic strike bombers, long-range transporters, air-borne warning and control planes, MiG-31 and Su-27 high altitude interceptors, T-72 battle tanks and ballistic missile technology.

agreement on striking a more favorable balance between free and managed trade.

China's military is unnecessarily secretive about its affairs. In Seattle, President Bill Clinton and other Asia-Pacific leaders should raise these concerns with Jiang Zemin, the Chinese head of state who serves as chairman of the powerful Central Military Commission.

Greater transparency could be achieved without compromising China's national security. The military is a state within a state in China.

Maintain APEC on Its Economic Trajectory

By Michael Leiter

SEATTLE — In convening an informal conference of Asian leaders here next week, President Bill Clinton will be using the annual meeting of the Asia-Pacific Economic Cooperation forum to register the primacy of America's policy interest in the region.

One is that of conflict avoidance and management pioneered by the Association of South East Asian Nations. The group's six members have long rejected formal military cooperation.

The other security model is that of military alliance, based on the policy of containing communism. Since the end of the Cold War, the alliance model has lost credibility as the United States has reevaluated its strategic priorities in a context of domestic economic difficulty.

Many troop maintenance costs are borne by provincial and civil affairs budgets. The People's Armed Police, the paramilitary arm of the PLA, is partly funded through the Ministry of State Security.

agreement on striking a more favorable balance between free and managed trade. The presence in Seattle of Morihiro Hosokawa, the new Japanese prime minister, will be important in this context.

Mr. Clinton seeks to use the meeting to discuss regional economic issues without seeking to impose a new role on APEC. He can expect a positive response from Asian participants.

The writer is professor of international relations at the London School of Economics and Political Science, contributor to this column to the International Herald Tribune.

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Paris — The Havas agency issued this note at 10:30 last night [Nov. 7]. The following documents have been communicated to us: The High German Command, by order of the German Government, to Marshal Foch: "The German Government, having been informed by the President of the United States that Marshal Foch has been empowered to communicate to them the conditions of an armistice, has appointed five plenipotentiaries. The German Government will be happy, in the interest of Humanity, if the arrival of the German delegation at the Allies' front leads to a provi-

of China. Should the transfers take place, they could trigger an Asia-wide arms race.

China's military is unnecessarily secretive about its affairs. In Seattle, President Bill Clinton and other Asia-Pacific leaders should raise these concerns with Jiang Zemin, the Chinese head of state who serves as chairman of the powerful Central Military Commission.

Greater transparency could be achieved without compromising China's national security. The military is a state within a state in China. As many foreign governments have learned, gaining assurances from Chinese civilian leaders does not go very far because they are often unaware of activities undertaken by the PLA and military front companies.

Engaging the PLA in direct dialogue, as the United States, Japan and Southeast Asian states have done this year, may be of some use. However, publication of a comprehensive and credible Chinese defense white paper would be the best way to enhance regional security.

Such a confidence-building measure is the single most important step that Beijing could take to allay anxieties in Asia that as China grows economically strong, it will flex its military muscles and destabilize the region.

Chinese leaders have repeatedly dismissed these concerns as paranoid propaganda allegedly put out by the United States in a search for a new "threat" to replace that of the Soviet Union.

But Beijing should realize that this apprehension exists as well in Japan, South Korea and throughout South and Southeast Asia.

America is an easy target for the Chinese propaganda machine, but Beijing would do well to examine perceptions closer to home.

The writer is a specialist on the Chinese armed forces, senior lecturer in Chinese politics at the School of Oriental and African Studies at the University of London and editor of The China Quarterly. He contributed this column to the International Herald Tribune.

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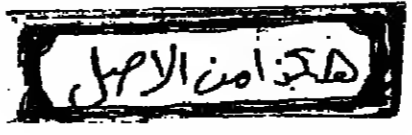
The writer is professor of international relations at the London School of Economics and Political Science, contributor to this comment to the Herald Tribune.

Advertisement for International Herald Tribune, listing KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER, RICHARD McCLEAN, and other staff members.

1893: Balkan Annex BERLIN — It is rumored that Austria is desirous of definitely annexing Bosnia and Herzegovina.

1918: Armistice Talks PARIS — The Havas agency issued this note at 10:30 last night [Nov. 7].

1943: Kiev in Flames MOSCOW — [From our New York edition] Battle-toughened Russian veterans stood on the heights before Kiev on Friday night [Nov. 5] with tears of fury in their eyes as they watched the destruction of the "Mother of Russian Cities" by German troops.





## CAPITAL MARKETS

### Hot Pace of Bond Issuance Looks Unlikely to Cool Off

By Carl Gewirtz  
International Herald Tribune

**P**ARIS — The "vigorous expansion" of activity seen so far this year on the international capital market seems unlikely to taper off in the months ahead, the Organization for Economic Cooperation and Development reports in its November edition of Financial Market Trends.

The combination of falling long-term interest rates, large demand by sovereign borrowers and the heavy refinancing activities of corporate issuers already has catapulted new-issue moves to record levels and no letup is in sight.

The refinancing needs alone during the first seven months of this year have exceeded \$200 billion, putting scheduled and early redemptions of outstanding bonds 35 percent ahead of the comparable period last year, when such repayments rose 49 percent.

**The need to refinance maturing debt will be 'very large in 1994.'**

The need to refinance maturing debt will again be "very large in 1994," the report states, adding that "this will continue to be a major source of demand for some time to come."

Overall, including bonds issued by foreign borrowers in domestic markets, \$321 billion of new issues were floated during the first seven months, a year-over-year increase of 43 percent.

The stepped-up activity also is evident in the secondary market, where volume is running at a record level, too: \$2.1 trillion in straight bonds traded during the first half of the year, a 10-percent rise over last year, and \$279 billion in dollar-denominated floating rate notes, an increase of 50 percent.

Backing this strong performance, the report notes, is an ample supply of funds ready to be invested. The report cites three factors exerting a positive influence on the supply of capital:

Large institutional investors are taking a growing role, underpinning a broadly based process of asset diversification. "The flotation of very large, high-quality issues," it says, "has contributed to strengthen the liquidity of the Eurobond market and to widen further the scope for arbitrage opportunities and to improve competitiveness."

Recent turmoil in the foreign-exchange market has failed to dent the demand for international securities. The report notes a "resurgence of interest" in several market compartments that had suffered most from speculative attack in the currency market.

The emergence of both new instruments — global bonds and structured floating rate notes — and new markets, such as the Asiadollar market, "provide investors with additional international outlets for their investible funds and greater scope for an active policy of asset management."

Apart from the rising need to refinance maturing or existing debt, the surge in borrowing reflects the expanding appetite of governments to replenish foreign currency reserves and, in some cases, finance expanding budget deficits.

Sovereign borrowing in the first eight months totaled \$74 billion.

See BONDS, Page 11

## Latins Get Bulk Of Surge In Loans

International Herald Tribune

**P**ARIS — Led by a surge in bank lending to levels not seen since the outbreak of the Third World debt crisis a decade ago, total private financial flows to developing countries soared 51 percent last year, a new study shows.

In contrast to the earlier global lending binge, the flow of funds now is concentrated in the more advanced developing countries — nine in Asia and four in Latin America — according to a report in the November edition of Financial Market Trends, published Monday by the Organization for Economic Cooperation and Development.

The Latin Americans were the main beneficiaries of such lending last year, when private flows doubled to \$35 billion, the first substantial increase since the outbreak of the debt crisis.

The flows to Asia, which began rising in 1989, increased only \$1 billion to \$40 billion. But that makes the region still the largest recipient of such movements, and conditions remain favorable for attracting more funds, the study says.

Last year's total of \$94 billion was up from \$62.2 billion in 1991. Lending by banks more than tripled, to \$37.7 billion from \$11 billion a year earlier. Two-thirds of this was short-term lending.

Almost \$30 billion of the bank lending went to borrowers in the 13 countries cited in the study; all but \$4.8 billion of that went to Asians.

Borrowers in Indonesia accounted for \$5.6 billion of the bank loans, China for \$4.9 billion, Thailand for \$4.7 billion, South Korea for \$3.2 billion and India for \$2.5 billion. Residents in Hong Kong, Malaysia and Taiwan borrowed relatively small amounts, while those in Singapore reduced their foreign bank loans by \$16 million.

But the Asians did less well in the international bond market.

Total bond lending to all developing countries amounted to \$13.4 billion, virtually unchanged from a year earlier. But an ever-larger share — 63 percent, compared with 40 percent in 1991 — was taken by borrowers in Mexico, Brazil, Argentina and Venezuela.

The study shows that portfolio investment flows also rose 36 percent last year to \$9 billion. Although the bulk of this went to the 13 countries, the study says, there is no breakdown showing how much specific countries attracted.

Direct investment, for which there is also no breakdown, amounted to \$28.8 billion, up 9 percent. Grants by nongovernmental agencies, also not broken down, were steady at \$5.2 billion.

Official lending and export credits to developing countries was unchanged at just over \$71 billion.

The report highlights that private flows — including the return

See LOANS, Page 11

## Bonds Hit a Bumpy Road Pace of Growth Drives Inflation Fears

By Jonathan Fuerbringer  
New York Times Service

**N**EW YORK — Bumpy might best sum up the road ahead for the bond market as traders and investors grapple with a series of discomforting economic reports and a quarterly auction at the Treasury.

For now, the market is not looking any further than the next data release and appears unable to take any bad news. Good news is being ignored. The mind-set seems to be that stronger growth will mean higher inflation, even if data on capacity utilization, productivity and price movements indicate otherwise.

The October employment report released Friday seemed to intensify the fear of growth. The increase of 171,000 nonfarm payroll jobs was a little higher than the consensus. Manufacturing jobs, which rose by 12,000, increased for the first time since February, indicating that growth could be broadening beyond the service sector.

Joseph Liro, chief economist at S. G. Warburg & Co., said he was keeping his forecast for gross domestic product in the fourth quarter at 3.8 percent, despite telephone calls "all day" Friday from people concerned about 5 percent growth.

"The economy is not on fire,"

he said. "But that is the way this market is starting to react."

Many economic forecasters, including Mr. Liro, said the head of steam the economy was building would cool at the beginning of 1994.

The reasons, they said, included declining or sluggish growth

than a quarter of a percentage point in the last six trading days, to 6.20 percent.

In addition, it will be some time, perhaps into early next year, before it is clear if the economic forecasters are right that what might be 4 percent or more growth in the fourth quarter will slip to 3 percent or less in the first half of next year. A similar situation occurred at the end of 1992 and the beginning of this year.

"It is sensible for market participants to factor in that this time it may not be a false alarm," said John R. Williams, managing director of global market economics at the Bankers Trust Co. "I would freely admit that it remains to be seen."

That means interest rates ought to remain volatile and there is a chance that the yield on the 30-year bond will jump above 6.25 percent. On Friday, the 30-year bond yield hit 6.25 percent twice in volatile trading after the employment report. But the price recovered well, with the yield ending at 6.20 percent, up from 6.17 percent Thursday.

At the same time, short-term interest rates could also be moving higher because of fear that the Federal Reserve will move quickly to raise its target for the rates if the pace of the fourth

See CREDIT, Page 11

## Beijing to Press For Low Tariffs On Pacific Rim

Reuters

**BEIJING** — China said Sunday it would use an Asia-Pacific economic summit meeting this month to promote its ideal of unconditional most-favored-nation tariff status among all countries on the Pacific Rim.

The push for mutual most-favored-nation status, with its spirit of free trade, is also likely to be a central strategy in Beijing's bid to counter calls in the United States to strip China of its bilateral trade privileges because of a human rights dispute.

Beijing has declined to comment on reports that it would submit a formal proposal to set up a low-tariff system among Pacific Rim nations at the Asia-Pacific Economic Cooperation meeting that starts on Nov. 17 in Seattle.

But an official at the Ministry of Foreign Trade and Economic Cooperation was quoted in the China Daily on Sunday as saying that Beijing would use the APEC meeting to push the low-tariff ideal, saying it was in line with the General Agreement on Tariffs and Trade.

APEC groups 15 Asian and Pacific Rim countries, including China and the United States.

Long Yongtu, director-general for international affairs at the Trade Ministry, was quoted as saying that

APEC "should especially honor the GATT principles on extending most-favored-nation status unconditionally among all its members."

Such low-tariff privileges "should be the cornerstone of the APEC objectives," he said.

China Daily said Mr. Long's comments "sent a clear message that the granting of unconditional MFN is one principle China will uphold in APEC."

The proposed policy has implications for U.S.-China relations, which have been troubled by friction over charges of Chinese human rights abuses, protectionism and arms proliferation.

It also comes at a time when China's trade surplus with the United States, soaring toward \$23 billion this year, appears likely to rekindle U.S. anger over barriers to China's markets.

The U.S. secretary of state, Warren M. Christopher, warned again last week that China was risking losing its most-favored-nation trade benefits next year.

"MFN is specifically conditioned on improvement in human rights," Mr. Christopher said. "But we'll also have to weigh the other aspect of our relationship: nonproliferation and trade."

## Teasing Brains for Fun and Profit

By Jacques Neher  
International Herald Tribune

**P**ARIS — Questions: How could three childhood friends, with no money in their pockets and no financial backers, create a company with 20 million francs (\$3.3 million) in sales and some of the hottest products in the children's publishing industry in France and the United States?

Response: By asking questions. Lots of them.

"We wrote 20,000 to 30,000 questions ourselves for Play Bac," said Jerome Sallet, co-founder of Editions Play Bac SA's first product, a game launched in 1987 to help French high school students prepare for their baccalaureat exam.

Experiencing immediate success — Play Bac sold 100,000 copies in the next two years at about 400 francs each — Mr. Sallet and his high school buddies, Francois Dufour and Gabriel Burrus, went on to design other educational Q&A games, and build a company that now employs 30 people.

The biggest success to date has been Les Ptit's Incolables, illustrated flash-card series launched in 1990 and still selling at the rate of 650,000 copies a year in France. An American version called Brain Quest, licensed to the New York trade publisher Workman Publishing Co., has already sold over 4.2 million copies in the United States since its launch 16 months ago. Versions of the product, licensed to local publishers, are now on the market in Britain and Spain, with

editions due out next year in Japan, Holland and Germany.

"It's a phenomenal best-seller," said Diane Roback, editor of the children's book section at Publishers Weekly in New York. "It's not like other flash-card products that stress learning by rote. Brain Quest is very well packaged and it challenges the mind with brain teasers. The kids obviously like it because they're becoming repeat customers."

Brain Quest, with editions corresponding to curricula for each class from preschool to junior high school, also is getting a strong boost from teachers. Ms. Roback said, explaining that educators are seeking nontraditional tools for the classroom. A growing number of teachers are agreeing to participate in championships which are being organized by Workman.

In France, Mr. Sallet said the company wanted to sell its product to the French national education system, but soon realized the step was not necessary. "Why fight to get in the front door, when we could go easily through the back door," he said. "The teachers are buying it and offering it as a reward to their students for finishing their work quickly."

The company got its start in 1985 when the three, then in their mid-20s, decided to hop a train for a weekend getaway to northern France. "We got on the train in Paris and came up with the idea for a game based on the 'bac'," he said, referring to the baccalaureat, required for university entrance. "By the time we arrived two and a half hours later, we had finished the idea and decided to start a business together."

Sworn to secrecy, the three decided to continue at their regular jobs and meet in their spare time to develop the product. At

first, they met every Thursday evening, then twice a week, and then every night. Then, following the plan, Mr. Dufour quit his job to work on the concept full time, while being supported by the salaries of his two friends.

Then Mr. Burrus quit, as Mr. Sallet supported them both.

"I had the highest salary," he said. "It made sense for me to keep my job as long as I could."

Finally, the product was ready, and the three had found a printer who was prepared to roll the dice with them.

"It was an investment of 1 million francs, but we didn't have it," said Mr. Sallet. "We were lucky to have immediate success. We were able to pay for the printing even before we were sent the bill."

Business associates say the company's success is due in large measure to the way the three partners work together. Mr. Sallet runs the day-to-day operations and new product development. Mr. Burrus focuses on international development and Mr. Dufour works on special projects, such as a new newspaper for schoolchildren in France.

The company has made a profit every year but one — in 1989, when they were between new products — and most of these profits have been reinvested in new business activities. Play Bac expects a pretax profit of 1 million francs this year.

In addition to the children's newspaper project, the company has just sold an idea to the U.S. publisher Random House for a series of discovery activities for small children modeled on those found in American children's museums. The first product is called "Wonder House" and is slated for launch on the U.S. market next year.

### THE TRIB INDEX

International Herald Tribune World Stock Index, composed of 230 internationally investible stocks from 20 countries, compiled by Bloomberg Business News. Week ending November 5, daily closings. Jan. 1992 = 100.

Index	1992	1993	% Change
World Index	100	113	+13
Asia/Pacific	100	129	+29
Europe	100	110	+10
North America	100	98	-2

#### Industrial Sectors/Weekend close

Sector	1992	1993	% Change
Energy	108.30	110.19	+1.84
Utilities	113.01	118.61	+5.08
Finance	118.57	120.79	+1.84
Services	117.23	120.02	+2.32
Capital Goods	108.92	105.62	-3.01
Raw Materials	105.05	105.77	+0.68
Consumer Goods	92.05	93.82	+1.98
Miscellaneous	118.39	122.00	+3.06

The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Australia; Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

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### CURRENCY RATES

Nov. 5

Currency	Per \$	Per 100 \$	Per 100 \$	Per 100 \$	Per 100 \$
Australian	1.55	1.55	1.55	1.55	1.55
British	1.50	1.50	1.50	1.50	1.50
Canadian	1.30	1.30	1.30	1.30	1.30
Deutsche	1.63	1.63	1.63	1.63	1.63
French	6.55	6.55	6.55	6.55	6.55
Japanese	148.00	148.00	148.00	148.00	148.00
Swiss	1.48	1.48	1.48	1.48	1.48
U.S.	1.00	1.00	1.00	1.00	1.00

#### Other Dollar Values

Currency	Per \$	Per 100 \$	Per 100 \$	Per 100 \$
Australian	1.55	1.55	1.55	1.55
British	1.50	1.50	1.50	1.50
Canadian	1.30	1.30	1.30	1.30
Deutsche	1.63	1.63	1.63	1.63
French	6.55	6.55	6.55	6.55
Japanese	148.00	148.00	148.00	148.00
Swiss	1.48	1.48	1.48	1.48

#### Forward Rates

Currency	30-day	60-day	90-day	180-day	360-day
Australian	1.55	1.55	1.55	1.55	1.55
British	1.50	1.50	1.50	1.50	1.50
Canadian	1.30	1.30	1.30	1.30	1.30
Deutsche	1.63	1.63	1.63	1.63	1.63
French	6.55	6.55	6.55	6.55	6.55
Japanese	148.00	148.00	148.00	148.00	148.00
Swiss	1.48	1.48	1.48	1.48	1.48

Sources: ING Bank (Amsterdam); International Bank of Commerce (London); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); AFP (Paris); Reuters (London); AP (New York); Bloomberg (New York).

## Viacom Lifts Paramount Offer A Surprised QVC Has to Recast Counterbid

By Geraldine Fabrikant  
New York Times Service

**N**EW YORK — In a move that preempted a bid from its rival, Viacom Inc. has sweetened its takeover offer for Paramount Communications Inc.

Viacom, Paramount's hand-picked merger partner, increased its bid by 6 percent, to \$10 billion, on Saturday. The new offer amounts to \$8.5 a share, up from \$80.

The stock had closed up \$1.50, at \$80.25, on Friday.

The timing of the move seemed aimed at deterring a higher offer from the rival bidder, QVC Network Inc.

QVC has enlisted BellSouth Corp. as an investor in its hostile takeover bid.

Paramount's properties include film and television studios, the New York Knicks basketball team, the New York Rangers hockey

team, and Simon & Schuster, the book publisher.

QVC executives seemed stunned at the latest development. Before Viacom's latest move, both Viacom and QVC had comparable \$9.5 billion offers on the table that included about \$40.80 per share in cash and the balance in stock.

The cash portion in each case was \$4.8 billion.

A new offer by QVC, the television home shopping channel, had been in the works. Its board and that of BellSouth had met on Friday to authorize plans for BellSouth's \$1.5 billion capital infusion into QVC's bid, but no final agreement was signed.

QVC had planned to announce its new offer early this week, according to two executives in the QVC camp.

Several investment experts derided Viacom's move as savvy. "Whatever price QVC and Bell-

South were thinking about on Friday is now out of date," said one expert in mergers and acquisitions. "Now they have to rethink how much to offer."

The move by Viacom's chairman, Sumner Redstone, means that the bidding could escalate further, said one executive in the QVC camp, because it "suggests that Mr. Sumner is willing to do what it takes to get the company."

"This changes everything," said George Kellner, a Wall Street investment adviser of the Kellner DeLoe. "It forces the bidding to go even higher. There is a limit somewhere, but I don't know where it is. If QVC is going to come back at \$85, I am sure QVC is thinking longer and harder about coming back at \$90."

Mr. Kellner pointed out that Viacom's offer expires Nov. 22, two days earlier than QVC's offer.

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Scratch-resistant sapphire crystal.  
Water-resistant.  
Swiss made since 1848.

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Mr. Kellner pointed out that Viacom's offer expires Nov. 22, two days earlier than QVC's offer.

Swissair, whose stock closed at 725 Swiss francs (\$483) Friday, has risen over 50 percent since January. At 40.80 guilders (\$21.47), KLM stock has almost doubled.

(Reuters, Bloomberg)

### Lufthansa Makes Profit

German Lufthansa AG confirmed a report in the magazine Der Spiegel that it had a pretax profit of 145 million Deutsche marks (\$85 million) in the third quarter. Reuters reported from Frankfurt. A spokesman said the carrier would publish full results on Monday. The carrier did not report figures last year for the third quarter alone.

Guay Keckwick, aviation analyst at Lehman Brothers in London, said: "I'm really surprised. I thought we would have seen that issue sorted out."

Shares in Swissair and KLM

OMEGA  
The sign of excellence

WEEKLY INTERNATIONAL BOND PRICES

Provided by Credit Suisse First Boston Limited, London, Tel. 022 40 00. Prices may vary according to market conditions and other factors. Nov. 5

Dollar Straights

Table with columns: Issuer, Con, Mat, Price, Yld, Bid, Trfy. Lists various government and corporate bonds.

Governments/Supranationals

Table with columns: Issuer, Con, Mat, Price, Yld, Bid, Trfy. Lists government and supranational bonds.

Banks & Finance

Table with columns: Issuer, Con, Mat, Price, Yld, Bid, Trfy. Lists bank and finance bonds.

Global Corporates

Table with columns: Issuer, Con, Mat, Price, Yld, Bid, Trfy. Lists global corporate bonds.

Table with columns: Issuer, Con, Mat, Price, Yld, Bid, Trfy. Lists various international bonds.

Dollar Zeros

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Pounds

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Floating Rate Notes

Table with columns: Issuer, Con, Mat, Price, Yld, Bid, Trfy. Lists floating rate notes.

Canadian Dollars

Table with columns: Issuer, Con, Mat, Price, Yld, Bid, Trfy. Lists Canadian dollar bonds.

Deutsche Marks

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MUTUAL FUNDS

Figures as of close of trading Friday, Nov. 5.

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Continued on Page 11

New International Bond Issues

Table listing various international bond issues with columns for Issuer, Amount (millions), Maturity, Coupon, Price, and Terms. Includes Floating Rate Notes, Fixed-Coupons, and Equity-Linked bonds.

China Moves to Check Boisterous Futures Markets

BEIJING—Chinese speculators will soon have to curtail their enthusiasm for such whimsical financial products as futures in fruit as a result of extensive reforms that officials are planning for later this month. The official China Daily said Sunday that the government would shut down all 61 foreign-funded futures firms operating in China as well as scores of substandard local firms. Officials have become alarmed by the recent growth in futures trading that has resulted in 30 futures exchanges and a further 50 wholesale markets prepared to offer futures contracts.

LINK: Phone Alliance

Continued from Page 1. In the meantime, any international alliance would need the political support of Germany, France and the European Commission. Approval by Paris and Bonn is not expected to be a problem. "I do not expect there would be any major difficulties getting that permission," said Mr. Czerwinski, Chancellor Helmut Kohl of Germany and President François Mitterrand of France intended to announce a deal at the next Community summit meeting in Brussels at the end of November, Reuters reported.

The Week Ahead: World Economic Calendar, Nov. 8-12

Table of economic events for the week of Nov 8-12, categorized by region: Asia-Pacific, Europe, Americas, and Washington. Includes events like Tokyo Machine Tool orders, European Council meeting, and US Treasury releases.

Washington Producer price index for October. Median city inflation for October. Outlook: Up between 0.3 and 0.4 percent. Brazil Congress votes on reorganization of a revision of the 1993 construction. The government has been stalling by a corruption scandal in Congress and needs to outline a plan to pass local reforms.



BONDS: Trading Pace Looks Unlikely to Cool Off

Continued from Page 11. The bond market, an increase of 44 percent from the year-earlier level. Much of this borrowing has been concentrated in the floating-rate note sector, where volume is up 48 percent from the year-ago period and is running close to the record level set nearly a decade ago.

MUTUAL FUNDS Continued

Table of mutual fund performance figures as of close of trading Friday. Columns include fund names, share classes, and performance metrics.

CREDIT: A Bumpy Road Ahead

Continued from Page 11. retail sales figures for October are to be released Friday, and the employment report and recent automobile sales data have forecasters busily hunkering their estimates, many of which are now below 1 percent. The industrial production figures, which could also jump by 1 percent, are to be released the following Monday. On Nov. 16, the policy-making body of the Fed, the Federal Open Market Committee, plans to meet to set its interest rate target for the rest of the year.

LOANS: Latins Get Most

Continued from Page 9. of high capital — can be volatile and react quickly to changing perceptions of risk and return. But it also notes that: "After years of contraction, banks are now in a position to expand again their activity in developing countries." Loans to such countries now represent only 8.8 percent of the external assets of Western banks, down from almost 19 percent a decade ago.

With forecasts of a jump of 0.4 percent in consumer prices, selling could continue even though analysts will argue that the price jump is more for technical factors involving the normal seasonal adjustment process than a rise in underlying inflation.

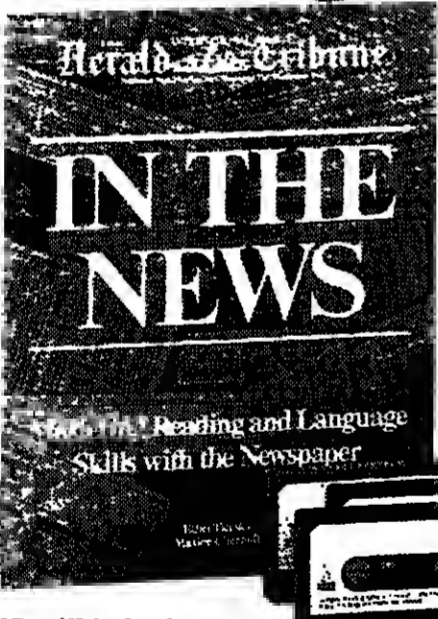
With the crosscurrents so strong in the economy, the meeting will be scrutinized for new signs of the Fed's intentions. Traders will want to know whether the Fed will slant its policy again toward raising its short-term interest rate target, which has been 3 percent for more than a year.

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, Nov. 5.

Table with multiple columns: Symbol, Price, Change, Volume, etc. Includes sections A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

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Continued on Page 14

# AT&T to Launch New Processor

**NEW YORK** — American Telephone & Telegraph Co.'s NCR unit is set to launch a machine Monday that it hopes will pull it ahead of one of its major rivals, International Business Machines Corp., in the battle for the promising market for parallel processing systems.

NCR will introduce an upgrade Monday of its current parallel processing line, the NCR 3600. On Tuesday, IBM — which is overdue in introducing the first version of its next generation of parallel mainframes — will brief reporters on its strategy.

Parallel processing machines group together thousands of off-the-shelf, lower-cost microprocessors for faster, less expensive computing.

IBM hopes lower-cost parallel machines can revitalize the market now served by its declining bread-and-butter mainframe business. IBM has said its future generation of ES/9000 mainframes will be parallel processors developed around existing mainframe architecture.

IBM also has another effort to develop parallel systems designed around IBM's RS/6000 reduced instruction set computing architecture, the heart of IBM's workstation line.

Already IBM is late in delivering a database query machine, the first model in its parallel strategy. In February, when IBM unveiled an upgrade to the ES/9000 line, executives said the database query model would be out in the summer.

The announcement was later said to be pushed back to this au-

turn. But now analysts said that on Tuesday, IBM will announce availability of what is being called the HPQS, a high-performance query system for early 1994.

"The dates have been all over the place," said Jay Stevens, a Dean Witter analyst. Some analysts said the delay is not as important as IBM's belated but increasingly aggressive attempt to stop the decline in its basic lines.

IBM is facing some new competitors in this growing field of parallel processing, where it enters as a laggard but with formidable marketing clout. Analysts noted that Unisys Corp. also beat IBM to the market with a low-cost mainframe.

## WORLD STOCKS IN REVIEW

### Amsterdam

The stock market closed lower last week after a long-awaited correction to its recent strong gains.

The CBS all-share index closed at 267.3 points, down from 272 the previous week. The selling boosted volume to 7.8 billion guilders from 6.3 billion the previous week.

### Frankfurt

The DAX index fell 2.72 percent to 2,012.56, in line with what was happening elsewhere in Europe.

This correction, brokers pointed out, was minor compared to an 8 percent rise in October. The market is still up 33 percent since the beginning of the year.

### Hong Kong

Stock prices fell 3.6 percent over the

week after hitting a new peak. Profit-taking pulling the Hang Seng Index down 332.16 points to 8,996.93.

The bulk of the losses came on Friday when selling of Hong Kong-linked stocks in London sparked a minipanic on the territory's stock exchange.

### London

The London share market registered its biggest weekly fall for a year, depressed by fading hopes of an imminent interest rate cut and falls in New York and Tokyo.

The FT-SE 100 share index fell by 85.4 points, or 2.69 percent, to 3,085.6.

### Milan

The arrest of Olivetti chief Carlo De Benedetti on corruption charges aggravated the general bearish tendency in Milan.

where the Mibtel index plunged 529 points, or 5.19 percent, to 9,801.

Brokers said the 10 percent fall in Olivetti shares was an emotional reaction to the arrest, and was unjustified by the economic position of the group.

### Paris

The Paris Bourse slumped 4.75 percent in a four-day trading week but brokers said the correction was accompanied by few signs of panic selling.

The CAC-40 index lost 100 points to 2,081.01.

Analysts said the signal to take profits came from New York, where signs of a stronger-than-expected economic recovery pushed up long-term interest rates.

The losses cut the advance since the beginning of the year to just over 12 percent and the average price/earnings ratio

of Paris shares to 22, compared to a ratio of 27 in Frankfurt.

### Singapore

buoyed by the listing of Singapore Telecom, shares hit a new high before falling back Friday in line with other Asian markets.

Over the week, the Straits Times Industrial index fell 33.79 points to 2,068.72.

Trading was heavy with the listing of Singapore Telecom, the biggest issue on the exchange, on Monday. Demand for the former state enterprise pushed the industrial index to a new high on Thursday of 2,127.43. But the gains were wiped out by Friday's plunge.

### Tokyo

Share prices tumbled in a seven-month low on the Tokyo exchange after another

week of dismal earnings reports from companies.

The 225-issue Nikkei average fell 5.6 percent from a week earlier to close at 18,590.46 points. The Nikkei had lost 2.8 percent the previous week.

Traders said the average would range between 18,000 and 19,500 points this week.

### Zurich

A surge in the first half of the week helped Zurich shares to weather the storm better than other European markets.

The Swiss Performance Index finished with a drop of 23.11 points, or 1.3 percent, to 1,680.92.

Banks were hit by fears that European interest rates may not fall as quickly or by as much as previously expected.

Credit Suisse fell 125 Swiss francs to 3,250 while Union Bank of Switzerland lost 47 to 1,258.

## ELECTRONICS: Matsushita Chief Says Time Has Come to Rethink Winning Formula

Continued from Page 1

have excessive reliance on products that have sold well historically, but are no longer growing."

While Mr. Morishita grows animated when the subject of transforming Matsushita comes up, he makes it clear that U.S.-style approaches are not in order.

"There will be no radical moves," he said.

Mr. Morishita says he instead will pursue a steady effort to work off the corporate fat taken on in the 1980s. He is cutting staff through attrition and reduced hiring, pruning management ranks and streamlining product and distribution channels.

The company also is shifting

more production to low-wage countries.

Reports over the weekend said that Matsushita had signed an agreement for a joint venture in China to make basic parts for videocassette recorders. Matsushita's investment is worth 9 billion yen (\$83 million), one of the largest yet for a Japanese company in China.

Such efforts, Mr. Morishita said, are the key to transforming Matsushita into a more innovative and flexible company.

"This is a revolution, and it must start at the top," he said.

The measures already have helped the company cope better than rivals with the surge of the yen and recession at home.

In September, the company slashed its group pretax profit forecast for the year through next March to 150 billion yen, down 11 percent from the year before. The decline, however, is a relative improvement from the previous year's slide of 54 percent.

"They've been able to absorb most of the currency impact this year," said Chuck Goto, an analyst at S. G. Warburg. "If they hadn't made these improvements, they could have gone into the red."

But Mr. Goto said that by focusing on short- and medium-term improvements and paying less attention to developing core technologies, Mr. Morishita may deprive the company of the long-term vision it needs to prepare for the multimedia era.

Mr. Morishita said suddenly to his post, having spent most of his career in sales and marketing. His predecessor, Akio Tanii, resigned unexpectedly in February, saying he was taking responsibility for a financial scandal at a Matsushita affiliate and for the sale of hundreds of thousands of defective refrigerators.

But analysts speculate that Mr. Tanii, a manufacturing engineer who helped the company become Japan's leading maker of videocassette recorders, was ousted to make room for fresh blood.

"Marketing and sales people have won out over the engineering/production side," Mr. Goto said.

Analysis says Matsushita is unsure how to turn its in-house technologies into something greater.

"They have to reorganize the whole group, and find something big enough," said David Benda,

senior analyst at Barclays de Zoete Wedd Ltd.

Mr. Morishita said he would continue with the strategy of tying up with other companies in order to obtain strategic technologies for multimedia.

In 1990, Matsushita took a stake in 3DO Co., a California-based firm whose 32-bit CD-ROM video player went on sale in the United States last month for \$700.

Matsushita's biggest bet was its 1990 purchase of MCA Inc., the filmmaker, for \$6.1 billion. But like other Japanese electronics companies, Matsushita has yet to get a major foothold in the market for new forms of electronic distribution of multimedia information.

Mr. Benda said, "They are supporting entertainment software, which is the key to multimedia, but not the electronic forms of distribution that will make it happen."

## OFFICE: With New Virtual Workplace, How About Some Virtual Work?

Continued from Page 1

Home Office Partnership, a consulting company in Cambridge, England.

Christ Day, the West Coast advertising agency, has modeled its new headquarters on a college campus built in the form of an ocean liner. Jay Chiat, the chairman, said that the old conventional offices, tended to become repositories for bad golf trophies, and that they discouraged creativity.

The agency's employees have free rein to drop in at headquarters — which includes a video library, a student union, diner-style booths for client meetings and tiny offices, built inside vintage amusement park cars — but mostly they work from wherever it is most convenient, whether it be home, a lounge, a hotel or an airport terminal.

General Electric, which aims at reducing office space 40 percent to

50 percent, calls its program "the office of now" rather than the office of the future.

In Europe, the leading proponent of the virtual office concept is IBM. "We wanted to be in the forefront," said Philippe Debacker of IBM in Paris.

As an indication of the kind of revolution that may be just around the corner, IBM is in the process of squeezing the staff from 18 buildings in and around Paris into 6. Some 5,000 "nomad" workers will normally work away from base, meaning that some work groups have been able to give up 70 percent of the space they occupied. The 600 million francs the company saves annually in rents will enable it to avoid having to lay off staff next year, according to Claude Andreazza, the president of the board of IBM-France.

Mr. Debacker said early indications were extremely positive, with off-base employees able to work more flexibly and spend more than half their time with clients, rather than 30 percent as before.

Along with the concept of the virtual office have come concerns about the virtual water cooler. "To be truthful," Mr. Moller said, "the only thing that makes some jobs bearable is the social contact."

IBM plans to overcome the loneliness of its long-distance workers through regular open-agenda meetings and videoconferences.

The office is going to be much more like a club," Mr. Bell said. "The only reason people will need to go there is to have meetings and teamwork sessions."

Mr. Bell said the opportunity to save huge amounts of money on fixed costs would drive companies

into introducing flexible, nomadic work patterns and giving up space, even if many managers still look on the process with suspicion. "The next generation of managers will be very comfortable with the technology," he said, "and then we will see the virtual office being accepted as a normal form of business practice."

This could lead to a growth of smaller office buildings in the suburbs and beyond, where people will want to live, shop and play, as well as work, Mr. Bell added. There will be less pressure on rail and road links taking people in and out of city centers, and city center hotels could find themselves with fewer clients.

At the same time, cities will have to revise zoning laws so that redundant city center office buildings can be turned into living space.

## Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes	Nov. 5	Oct. 29	Chg%	Money Rates	Nov. 5	Oct. 29
United States				Discount rate	2.00	2.00
DJ Indus.	3,643.40	3,680.29	-1.01%	Prime rate	6.00	6.00
DJ Ind.	2,272.8	2,407.77	-5.61%	Federal funds rate	2.15/2.4	2.15/2.6
DJ Trans.	1,717.67	1,727.07	-0.54%	Japan		
S & P 100	422.37	428.19	-1.36%	Discount	1%	1%
S & P 500	499.27	467.84	-1.77%	Call money	2 1/4	2
S & P Ind	592.29	535.08	-1.38%	3-month interbank	2 1/4	2 1/4
NYSE Comp	254.20	259.38	-2.00%	Germany		
FTSE 100	3,085.60	3,171.00	-2.69%	Lombard	6%	6%
FT 30	2,231.90	2,297.80	-2.75%	Call money	6.40	6%
London				3-month interbank	6.35	6.45
Nikkei 225	18,590.46	19,703.	-5.65%	Britain		
DAX	2,012.56	2,069.00	-2.73%	Bank base rate	6.00	6.00
Hong Kong	8,996.93	9,229.09	-3.56%	Call money	5.15/1.6	5.15/1.6
World				3-month interbank	5%	5.1/1.6
MSCI P	576.80	599.16	-0.28%	Gold	Nov. 5	Oct. 29
				London p.m. fix \$	377.25	369.80 + 2.31%

World Index From Morgan Stanley Capital Int'l.

### December elections in Russia

### Transition in China

### The coming winter in Bosnia

### Mideast peace negotiations

### Russian troop movements

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Germany	D.M. 1,800	1,070	590
Great Britain	£	700	385
Greece	Dr. 75,000	41,000	22,000
Ireland	Ir£	230	125
Italy	Lira	600,000	275,000
Japan	Y.	14,000	7,700
Luxembourg	L.Fr.	770	420
Netherlands	Fl.	3,500	1,900
Norway	Nkr.	47,000	26,000
Portugal	Esc.	48,000	26,500
Spain	Ptas.	58,000	27,500
Sweden (incl. hand delivery)	S.Kr.	3,100	1,700
Sweden (incl. hand delivery)	S.Kr.	3,600	1,900
Switzerland	S.Fr.	810	335
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Rest of Africa	\$	780	430
	\$	990	485

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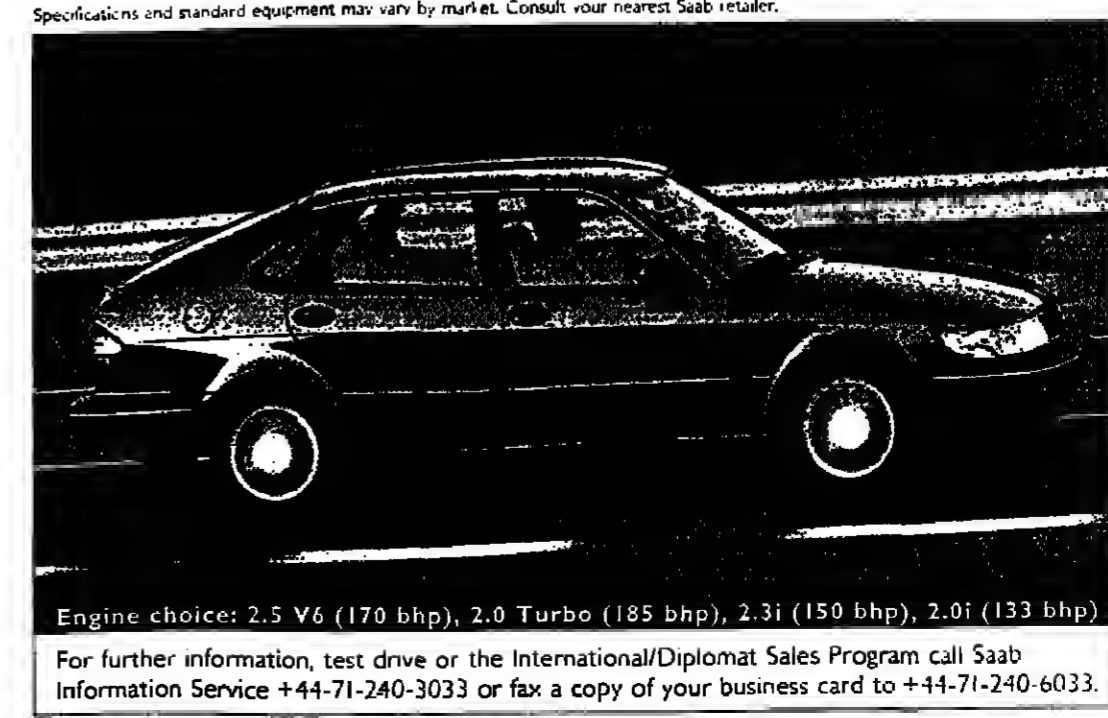
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# Calpers Challenges Murdoch Stock Issue

**Agence France-Press**  
 SYDNEY — The largest U.S. public pension fund threatened Sunday to dump a major shareholding in News Corp. if the media giant went ahead with its plan to issue "super" shares.

Richard Koppers, chief counsel of the California Public Employees Retirement System, known as Calpers, said the fund had planned to increase its investment in Australian companies, including News Corp., but strongly opposed the super share issue.

The aim of the super share plan is to protect Chairman Rupert Murdoch's controlling stake in the media conglomerate while he seeks further funds to expand his global electronic media empire.

Local institutions have already come out strongly against the plan with the same objections voiced by Calpers.

News Corp. is planning a one-for-10 bonus issue of super shares, each carrying 25 votes compared

with the one vote held by ordinary shares, but which will lose the expanded voting power if sold.

"We very strongly hold that there should be one share, one vote and that you should not be disadvantaging certain shareholders to the benefit of others," Mr. Koppers said. "We would oppose that."

Calpers had about 370 million Australian dollars (\$250 million) invested in Australian companies, including News Corp., and was likely to increase its investment in the local market, he said.

But if News Corp. went ahead with its issue of super shares, Calpers would seek to sell its News Corp. shares if it could do so without making a loss, he said.

And Mr. Koppers added: "If this became a growing movement, we would not expand our investments in those companies."

The Australian Stock Exchange will deliver its verdict on the proposal this week.

**For investment information**  
 read THE MONEY REPORT  
 every Saturday in the IHT

# Brazil Slips as Its Elite Grows Rich

**By Don Podesta**  
*Washington Post Service*  
 BRASILIA — Wracked by four-digit inflation and apparently endemic political corruption, Latin America's largest country seems afflicted with a peculiar paradox: The more the country lags behind the modernization and reform sweeping much of the rest of the region, the more its elite insist that there is no cause for Brazil to change.

Brazil's unemployment is high and rising. Its underclass numbers in the tens of millions. The government's plan to combat this is nowhere to be seen.

Last year, the economies of Chile and Argentina and Venezuela were growing at 9 percent or more. Brazil's shrank 1 percent, though it has returned to growth this year.

Now — less than a year after Congress, to much acclaim, ousted President Fernando Collor de Mello for corruption — another financial scandal has erupted. The Congress finds itself mired in controversy over the diversion of millions of dollars from the federal budget for the personal use of about two dozen congressmen, governors and federal officials.

The former federal budget director, José Carlos Alves dos Santos, accused more than two dozen congressmen, senators, governors and other officials of diverting millions from the federal budget for themselves.

Mr. Alves dos Santos made his charges after having been arrested when an enormous amount of cash was found hidden under his mattress. The discovery came during an investigation of the suspected murder of his missing wife. Among those he accused of corruption were Mr. Franco's chief of staff, Henrique Hargreaves, and Regional Integration Minister Alexandre Costa.

Mr. Hargreaves, one of Mr. Franco's closest advisers, refused to step down for days after the scandal broke, and Mr. Franco, reluctant to fire him, was reported by local media to be deeply depressed. Mr. Hargreaves tendered his resignation Friday.

Despite such problems, many Brazilians feel their country works just fine.

What's happening? The battle against what could soon be hyperinflation provides an example of why politicians and the business

community, so manufacturers get a bonus, said Richard Foster, editor of the newsletter Brazil Watch, which focuses on the economy. "They never have to worry about labor costs."

Other winners include those who move cash into high-interest-bearing money market accounts, which generally stay ahead of inflation. Banks make out nicely, too.

The government's attack on inflation has been timid. President Iamar Franco and his finance ministers — there have been five in the 10 months since Mr. Collor was impeached — have made clear that the shock treatments of the Collor government and his predecessor, José Sarney, are not for them.

Besides, officials point out, after a grim 1992, the economy is back on the plus side, projected to grow about 5 percent this year.

"We are not going to do a quick fix and freeze prices, which we have done three or four times before with no success," said Winston Fritsch, the Finance Ministry's economic policy secretary. Instead, the administration will try to control inflation by eliminating the federal budget deficit through tax increases, spending cuts and privatization of state industries. When all that is in place, he said, the government will stop indexing wages and social security payments.

But Mr. Franco's government is running out of time. "Putting the house in order before attacking inflation has already failed," said Emir Sader, a political scientist at the University of São Paulo. "Because putting the house in order is a task without end."

Congress has begun a revision of the constitution, seen by many as a leading cause of the government's financial difficulties. It forbids state workers to be fired, so reducing payrolls has been impossible.

**'With inflation, you have a few winners and many losers. The state is a winner.'**

**Julian Chacel, director of the Getúlio Vargas Foundation.**

site here remain untroubled — and why the rest of the country fails to challenge them.

"With inflation, you have a few winners and many losers," said Julian Chacel, director of the Getúlio Vargas Foundation, a leading research company in Rio de Janeiro. "The state is a winner."

Wages in Brazil are indexed to inflation and adjusted every four months. However, inflation is rising by more than 1 percent a day, so by the end of the 120-day period, salaries are worth about one-third of what they were. While this is disastrous to the wage earner, it is a big break for employers, and there is no bigger employer than the government.

Inflation deflates payrolls as a cost of pro-

# SHORT COVER

## Euro Disney Said to Weigh Write-Off

LONDON (Bloomberg) — Euro Disney SCA, the company that owns the Euro Disneyland theme park, is weighing a balance-sheet cleanup that could leave it with a loss of nearly \$500 million (\$740 million), the Sunday Times reported.

The newspaper said Euro Disney was being pressed by its parent, Walt Disney Co., to write off up to \$300 million of its start-up costs against its profit-and-loss account. The company is expected to announce its annual results within the next 10 days. The Sunday Times said the write-off would come on top of losses, expected to total about \$200 million.

## Générale des Eaux Raising 4 Billion FT

PARIS (Reuters) — Compagnie Générale des Eaux said Sunday it would raise 4.1 billion francs (\$694 million) in new cash via a rights issue that will run from Nov. 15 through Dec. 6.

Shares will be issued at 2,250 francs each, a 14 percent discount to Friday's closing price of 2,617 francs. Existing shareholders can subscribe to each new share for 14 old ones. The Sanef utilities company said.

## China 'Hit List' for Sanctions Reported

LONDON (Combined Dispatches) — China has drawn up a list of British companies to be targets of economic sanctions if London pushes ahead with democratic reforms in Hong Kong, senior sources in the British government were quoted Sunday as saying.

The sources told the Observer that sanctions against companies that trade with China, such as General Electric Co., Cable & Wireless PLC, Trafalgar House PLC, Unilever PLC and Jardine Matheson Holdings Ltd., would cost billions of pounds in lost orders. (Reuters, Bloomberg)

## UAP Chief Heads for Crédit Lyonnais

PARIS (Reuters) — The government has named Jean Peyrelevade, the head of Union des Assurances de Paris, to the board of Crédit Lyonnais, paving the way for a cabinet meeting Wednesday to appoint him as the bank's new chairman. Le Monde reported over the weekend.

## For the Record

Honda Motor Co. plans to lay off 4,000 workers for four days between late December and early March at its main plant in western Japan to cope with slumping car sales, reports said over the weekend. (AFP)

Registrations of new cars in the European Community fell by 13.9 percent to 851,520 in October, after 989,300 a year ago, the European Automobile Manufacturers Association said Sunday. (Reuters)

# NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, Nov. 5.

(Continued)

Rate in	1993	High	Low	Close	Change	Net	Volume	1992	High	Low	Close	OTC
AAVE	148	148	148	148	+0							
AAFC	110	110	110	110	+0							
AAIC	110	110	110	110	+0							
AAJ	110	110	110	110	+0							
AAK	110	110	110	110	+0							
AAAL	110	110	110	110	+0							
AAAP	110	110	110	110	+0							
AAAR	110	110	110	110	+0							
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AAAV	110	110	110	110	+0							
AAAW	110	110	110	110	+0							
AAAX	110	110	110	110	+0							
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AAAZ	110	110	110	110	+0							
AABA	110	110	110	110	+0							
AABB	110	110	110	110	+0							
AABC	110	110	110	110	+0							
AABD	110	110	110	110	+0							
AABE	110	110	110	110	+0							
AABF	110	110	110	110	+0							
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AABH	110	110	110	110	+0							
AABI	110	110	110	110	+0							
AABJ	110	110	110	110	+0							
AABK	110	110	110	110	+0							
AABL	110	110	110	110	+0							
AABM	110	110	110	110	+0							
AABN	110	110	110	110	+0							
AABO	110	110	110	110	+0							
AABP	110	110	110	110	+0							
AABQ	110	110	110	110	+0							
AABR	110	110	110	110	+0							
AABS	110	110	110	110	+0							
AABT	110	110	110	110	+0							
AABU	110	110	110	110	+0							
AABV	110	110	110	110	+0							
AABW	110	110	110	110	+0							
AABX	110	110	110	110	+0							
AABY	110	110	110	110	+0							
AABZ	110	110	110	110	+0							
AACA	110	110	110	110	+0							
AACB	110	110	110	110	+0							
AACC	110	110	110	110	+0							
AACD	110	110	110	110	+0							
AACE	110	110	110	110	+0							
AACF	110	110	110	110	+0							
AACG	110	110	110	110	+0							
AACH	110	110	110	110	+0							
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AAcL	110	110	110	110	+0							
AAcM	110	110	110	110	+0							
AAcN	110	110	110	110	+0							
AAcO	110	110	110	110	+0							
AAcP	110	110	110	110	+0							
AAcQ	110	110	110	110	+0							
AAcR	110	110	110	110	+0							
AAcS	110	110	110	110	+0							
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AAcU	110	110	110	110	+0							
AAcV	110	110	110	110	+0							
AAcW	110	110	110	110	+0							
AAcX	110	110	110	110	+0							
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AAAC	110	110	110	110	+0							
AAAD	110	110	110	110	+0			</				

MONDAY SPORTS

Jordan Sees Bulls Sink To New Low

The Associated Press Michael Jordan sat helplessly and watched as the Chicago Bulls...



Shawn Bradley won this battle, but Shaquille O'Neal won the war.

NBA HIGHLIGHTS

championship rings. Then he watched as the Bulls were held to 25 points in the first half...

Aikman Injured as Cowboys Stop Giants

The Associated Press Troy Aikman put on an impressive display of marksmanship that included 10 consecutive completions...

in the first half, which ended with Dallas ahead 17-6. Steelers 24, Bengals 16: Neil O'Donnell threw two touchdown passes...

Lions 23, Bucs 0: Barry Sanders turned in the second-best rushing game of his career...

horse was called for interference in the end zone. VanHorn got his revenge early in the fourth...

(1-8) suffered his fifth loss by three points or less and his fourth straight defeat overall. Jim Kelly started the game-winning drive...

Lowly LSU Snuffs Out Alabama's Faint Hopes for a Repeat

The Associated Press If there was any doubt before, none remains: Last season's national champions will not be this season's national champions.

No. 3 Ohio State 14, No. 15 Wisconsin 14: At Madison, Wisconsin, Ohio State blocked a 33-yard field goal...

No. 8 Auburn 55, New Mexico State 14: At Auburn, Alabama, the Tigers 19-0 scored five touchdowns...

No. 9 Florida 61, SW Louisiana 14: At Gainesville, Florida, Terry Dean got his starting quarterback job back...

No. 16 North Carolina 24, Clemson 0: At Chapel Hill, North Carolina, the Tar Heels (8-2, 5-2 ACC) broke a seven-game losing streak...

Wolfpack (6-3, 3-3) couldn't come back to tie at a 21-0 halftime deficit. No. 23 Colorado 31, Oklahoma State 14: Kordell Stewart threw TDs...

NASDAQ NATIONAL MARKET

Table with columns for OTC Consolidated trading for week ended Friday, Nov. 5. Includes sub-sections for A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

COLLEGE FOOTBALL

Table with columns for College Football results, including team names, scores, and game details.

OTC Consolidated trading for week ended Friday, Nov. 5

Table with columns for OTC Consolidated trading for week ended Friday, Nov. 5. Includes sub-sections for A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

OTC Consolidated trading for week ended Friday, Nov. 5

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Advertisement for 'Voyage' featuring a woman's face and text: 'Voyage... the work that is announced it.' Includes a small logo at the bottom.

MONDAY SPORTS

In Upset of Upsets, France's Arcangues Wins Classic Race

By Bill Christine
Los Angeles Times Service
ARCADIA, California — A French horse with a bad back won the \$3-million Breeders' Cup Classic in what was perhaps the biggest upset in the history of American racing.

France's premier conditioner, and bred and owned by Daniel Wildenstein, a 76-year-old Paris art dealer, Arcangues earned \$1.56 million. He started the day with \$398,520 in purses, and only four victories in 15 starts in a career frequently interrupted by the disk problems caused by running over Europe's undulating grass courses.

And Lure, who won their races. Peteski, the Canadian triple crown champion, was scratched because of a swelling in his right front ankle. Kotshaan won the Turf Stakes by 1/4 lengths over Bien Bien, while Lure overcame a No. 12 post and a rough run around the first turn to win the Mile for the second consecutive year, becoming only the third two-time winner in the Breeders' Cup's 10-year history and the first male.

Sardula in the Juvenile Fillies, launching trainer Richard Mandella's four-year-old champion, scratched another Breeder's Cup winner, Kotshaan, and won two other stakes on the 10-race card. Cardmanja nipped Meafara at the wire in the Sprint. Arcangues' unfamiliarity with Santa Anita, and dirt, didn't seem to matter. The Kentucky-bred son of Sagace and Albertine arrived here Monday with about two dozen other French horses, having worked on dirt only once in France.

He's a world-beater on his good days," Fabre said. "I wasn't pleased with his post position [No. 12], but we thought that by running on the flat, it would be easier on his back, which took a beating in his last race. And we signed on an American jockey because we wanted someone who was familiar with riding on dirt."

On the far turn, Bertrand was clinging to the lead and Arcangues was closing ground, but there was trouble ahead. Ezzoud, the English colt, was in front of him on the inside, and running out of steam. Diaz, trainer Bill Shoemaker's hope, was away from the rail and looked like he had some run left. "It was tight going between those horses," Bailey said. "I knew I was going to have to ride the race of my life to win it. But my horse gave me some tremendous acceleration and we got through. I was surprised at his courage. He never flinched at all."

Race Makes 2 Bettors \$1.5 Million Richer

OKLAHOMA CITY — The long-shot winner in the Breeders' Cup Classic led to two \$1.5 million payouts in the national Pick 5 series. Keith Chamblin, spokesman for Remington Park, said the ticket sold in Oklahoma City was worth \$1,699,916.20, while the ticket sold at Santa Anita was worth \$1,598,310. The difference in payouts was because of different state taxes. Arcangues was fourth in his last race, at Longchamp, and sixth in England the race before that. He began the year in May at Longchamp with a seventh-place finish, and won a Group 1 race there on May 30. His time Saturday was 2:00 4/5. His next assignment is a stud farm in France.

SCOREBOARD

NBA Standings

Table with columns for Eastern Conference, Western Conference, and Pacific Division, listing teams and their records.

FRIDAY'S RESULTS

Table listing basketball game results from Friday, including teams, scores, and key players.

ROCKY

NHL Standings

Table with columns for Eastern Conference, Western Conference, and Pacific Division, listing NHL teams and their records.

FRIDAY'S RESULTS

Table listing hockey game results from Friday, including teams, scores, and key players.

SOCCER

Table listing soccer game results from Friday, including leagues and scores.

FOOTBALL

Table listing major college football scores from Friday.

WRESTLING

Table listing wrestling results from Friday, including weight classes and winners.

ITALIAN FIRST DIVISION

Table listing Italian football league results from Friday.

SPANISH FIRST DIVISION

Table listing Spanish football league results from Friday.

FRIDAY'S RESULTS

Table listing basketball game results from Friday, including teams, scores, and key players.

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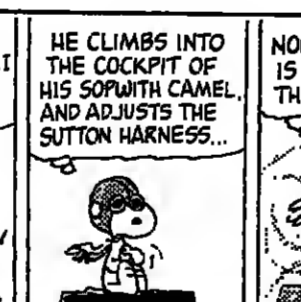
DENNIS THE MENACE



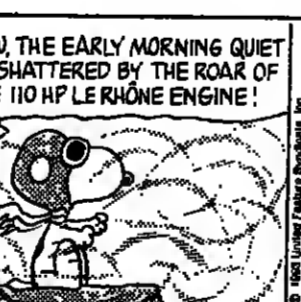
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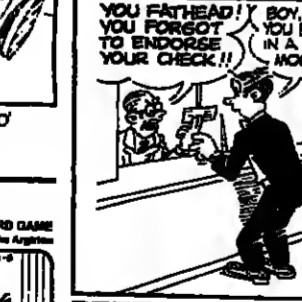
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HERO CUP ONE-DAY INTERNATIONAL India vs Sri Lanka India won by seven wickets

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# Pierre Boulez: Engineering a Transition

By John Rockwell  
New York Times Service

PARIS — Pierre Boulez began his career as a wild man of the avant-garde, a composer who clung to the Serialist faith and lashed out at his enemies without mercy.

Many of those enemies were in France, and during the 1950s and '60s Boulez spent most of his time in West Germany, where he actually lived for a while. But with his rise to prominence as a world-famous conductor, things changed. During his tenure as music director of the New York Philharmonic in the '70s, he was wooed and won by Georges Pompidou, the president of France.

He quit the Philharmonic in 1977, just in time to take charge of his newly constructed, grandiose contemporary-music center in Paris, the Institute for the Research and Coordination of Acoustics and Music, known as Ircam.

So powerful did this one-time outcast become, so successful at winning lavish subsidies from French governments of the left and right, that he became the dominant musician in the country. He was the Lully of today, the court composer of the French Republic.

But all things pass. Boulez is now 68, and Ircam is undergoing a serious transformation, from private preserve to public facility. Ircam may not have changed quite as much as Boulez would have people believe; it is still a modernist temple and still, for all practical purposes, his own. But change has indeed pervaded its quarters beneath the plaza next to the Pompidou Center here.

The change reflects shifts in French politics and economics, in contemporary composition and technology, and perhaps even in Boulez's view of the world, as he contemplates old age and a future in which he will no longer be able to safeguard his creations.

Boulez has engineered the transition with his usual meticulousness. He retired early last year as director of Ircam; he had long since retired as music director of the Ensemble Intercontemporain. He also chose his successors, Laurent Bayle as director of Ircam and David Robertson, a Californian with long experience in Europe, as the latest music director of the ensemble.

In addition, Ircam has shifted its focus in technical research from cumbersome computer hardware to flexible, more easily marketable software. And it has opened up its cloistered facilities, admitting more composers (even composers stylistically at odds with Boulez, who remains a man of firm and pungently expressed opinions) and spreading its name and products around the world.

"I'm no longer involved anymore in the



Pierre Boulez: "I have the pleasure without having the labor."

day-to-day activities," Boulez reported. "It's really a relief. I have the pleasure without having the labor."

For some years now, Boulez has sought to insure Ircam's institutional stability in his absence. Bayle reports that Ircam's annual government subsidy suffered only slightly in recent wide-ranging austerity cuts and is still more than \$5 million, in addition to separate grants for the ensemble. These sums are supplemented by \$2 million in earned income and an estimated \$1 million worth of custodial services provided by the Pompidou Center.

"The people I have chosen will be crucial," Boulez said. "I did fear that if I disappeared, the institutions would collapse, that the money would not be there anymore. I think institutions should be strong enough not to be tied to a personality. I founded them, but progressively I gave the power of decision to others who will follow me."

Not that he is taking it easy in his "retirement." His compositions in progress include a commission from Daniel Barenboim (his old ally in the creation of the Bastille Opera) and the Berlin State-

He continues to oversee many aspects of French musical life, above all the creation of his latest and perhaps grandest project, the partially completed City of Music in the Villeite district of Paris. Already the new home of the Paris Conservatory and scheduled to open officially in early 1995, it will give the Ensemble Intercontemporain its first permanent base.

Boulez's enormous power behind the scenes has not gone unnoticed by his friends and his foes. Last winter, in the waning months of the Jack Lang era, Boulez was attacked with special ferocity in a book "The Comedy of Culture," by Michel Schneider, who had been in charge of music at the ministry from 1988 to 1991. Citing a New York Times review as his authority, Schneider dismissed Boulez as a no-talent composer and said, "One has to choose between Boulez and music."

The two men appeared together on Bernard Fivo's much-watched cultural talk show on French television, "Bouillon de Culture," with Lang sitting between them like a silent, smiling sphinx. Schneider looked profoundly uncomfortable as Boulez, his old polemical fangs finely honed, tore into him as an incompetent who never bothered to attend concerts.

Today, Boulez reports, the attacks on him and his projects have receded, but both he and Bayle seem determined to depersonalize Ircam and protect it from charges of elitism.

This effort involves open houses, users' groups to help composers become familiar with Ircam technology, weekend workshops, a two-week summer academy, public collaborations with other art forms, more frequent tours and a new emphasis on the marketing and licensing of Ircam software.

Above all, Ircam seeks now to stress its openness to a variety of styles. This season both John Adams and Steve Reich are presenting their music within Ircam's walls, and composers as far removed from Boulez's style as the Paris-based American Minimalist Tom Johnson are participating in Ircam users' groups.

Boulez does not concede that he and Ircam were ever completely closed to outsiders, but he grants that Ircam may be a more welcoming place under Bayle.

"I think my personal tastes did not interfere with my decisions as director," he said. "My first principle is not to have martyrs; that is the worst thing you can do. But it is easier for someone like Laurent Bayle than for me. Many people are prejudiced against me. People would decide in advance that they didn't want to collaborate with Ircam. Laurent Bayle has a different kind of personality. He can make contact with people who don't like me."

## LANGUAGE

### Hold On to Your Security Blanket

By William Safire

WASHINGTON — New Dealers, back in the '30s, had a lock on the word security. If any phrase exemplified the yearning of the nation in that Depression era, it was *Social Security*.

On the international scene, liberals, who were then interventionist, touted *Wilsonian collective security*. In another sense of the word, the Securities and Exchange Commission was formed to guard against the predators of Wall Street.

At the end of that decade, the conservatives began taking the word back. *Internal security* became the phrase to define the defense against Communist penetration.

In the Eisenhower years, *national security* became of great concern, and the president was given a national security adviser who had a whole council to go with him. For a long generation, security connoted national defense and was a hot-button word for righties.

The left is now taking the word back. Israel's Labor prime minister, Yitzhak Rabin, in the light of widespread worry about the knife attacks of the *intifada*, began balancing *national security* with a need for *personal security*.

It was a way to lay the groundwork for an accommodation with local Palestinians and ultimately with the PLO.

*Personal security* was a phrase making it in the United States, too, its use at first dominated by law-and-order advocates who wanted a crackdown on criminals threatening people on the streets. Of late, however — and from the bully pulpit of the White House — the term has been broadened and appropriated by liberals.

The press secretary, Dee Dee Myers (whose first name is Margaret, but the White House is an informal place these days), responded to a question about President Clinton's broadened use of *personal security* in speeches.

"I think this is an outgrowth of earlier speeches where the president talked about *personal security*," she said, "whether it's *health security* or freedom from fear of crime or knowing that you have a good job in an economy that's working."

Thus, Clinton is using *personal security* as an umbrella term for confidence in police protection, for the end of worry about medical costs to bring what's called *health security* (complete with a *health security card*), and for the economic optimism long known as *financial security*.

"If F.D.R. did his Four Freedoms speech today," wonders Daniel Schorr, senior correspondent of National Public Radio, who called this phenomenon to my attention, "would it be 'Four Securities'?"

This retaking of security did not happen by accident; a shrewdly manipulative hand is at work here. It's making right-wingers insecure.

O. K., you health-care-reform advocates, are you for *preventive medicine* or *prevention medicine*? Cyril Mazansky, M.D., chairman of the strategic planning committee of Carney Hospital in Boston, wants to know: "As we train our future primary care physicians to concentrate on *preventive* (preventative)

medicine, will they prescribe *preventive* drugs, and during their afternoon off, take their car into the dealer for *preventive* (preventative) maintenance?"

Although a tad upfront with his question marks for my taste, Dr. Mazansky poses a question that embarrasses usagians, who are all over the lot on this one. When everything is correct, nobody's comfortable.

Here's my suggestion: use *preventive* as an adjective and *preventative* as a noun. Thus, as you practice *preventive medicine* and give your car *preventive maintenance*, you take a flu shot in your arm — and slap a coat of wax on your car — as a *preventative*.

I know I'm being prescriptive, but it's better than being prescriptive.

Frank Gifford, the preminent (better hyphenate *pre-eminent*; otherwise, it looks as if it sounds like a combination of *preening* and *permanent*) U.S. sportscaster, has a new book out titled "The Whole Ten Yards," written with Harry Waters.

Frank's an old buddy and his book is a hoot (the latest sense of *hoot* is defined as "something or someone amusing" in the up-to-the-minute Merriam-Webster's 10th Collegiate), but I hasten to warn readers that the title, while memorable, may contribute to a widespread misapprehension.

The *whole ten yards*, the expression on which the former football star's catchy book title is based, has nothing to do with football.

One school of etymological thought on this is nautical, where a *yard* is a long spar to support and spread the head of a square sail. (The *yardarm* is the end of that spar, and you are not supposed to booze it up until the sun sinks below it in late afternoon.)

Each mast of a three-masted, square-rigged sailing ship carried three yards; when the sails were fully spread, or "under full canvas," the ship had the propulsion of winds caught by the *whole nine yards*.

That's all you know, sneer the drivers of concrete trucks (and you'd better not call them *concrete trucks* unless you want truckloads of mail poured, lava-like, over your head).

Construction workers insist, and I agree with them, that the phrase comes from the cubic contents of the large, revolving cylinder that mixes cement and sand to make concrete.

A job that requires a full truckload calls for the *whole nine yards*. People who know standard measurements say that cubic contents are measured in feet, not yards; but go tell that to the guy in the truck — he'll pour a small load all over your feet.

You will even find seamstresses to say that nine yards used to be the length of a bolt of cloth, and that some fancy dresses took up the *whole nine yards*, but that's as far out as the folk etymology suggesting it means nine-tenths of the way to a first down.

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## WEATHER

Forecast for Tuesday through Thursday, as provided by Accu-Weather.

Table with columns for Europe, Asia, Africa, North America, Middle East, Latin America, and Oceania. Each column lists cities and their weather forecasts for today, tomorrow, and the day after.



North America: Rather cold from Boston to Washington, D.C. Tuesday and Wednesday, but with a fair amount of sun. Some showers possible each day. Showers likely in London Wednesday. Pleasant in Paris Tuesday and probably Wednesday. Some sunshine and gradually turning milder Tuesday through Thursday. Showers possible in Orlando Tuesday.

Table with columns for Asia, Africa, North America, and Oceania. Each column lists cities and their weather forecasts for today, tomorrow, and the day after.

## CROSSWORD

- ACROSS: 1 Arbitrary orders, 2 Public quarrel, 14 Mourns, 16 Mountains of E.P.A., 18 Snake's kin, 17 Religious discord, 19 mirabais (crucial year), 19 Chew the rag, 21 Asian peninsula, 22 Earl Gray and Lapsang, 23 blue (a basic dye), 25 Close-knit group, 26 Actress Harper, for short, 28 A mother-of-pearl source, 29 bow, 30 Frank, 30 Attractive, 37 One end of the Alcan Highway, 38 Western evergreen trees, 40 Mental perception, 41 Scrambles a message, 43 Evicted annual, in a way, 44 He, in Italy, 46 Nave flanker, 52 Foli ingredients, 53 Forster's "A Room With a View", 54 Piggish, 56 Young rooster, 58 Deal with, 59 Vivacity, delicacy, 61 No-noes, 62 U.S.N. cops, 63 Prickly weeds, 64 Yodel's comeback, 65 Back, in Rouen, 66 First word of the Mass, modo, 67 Body of an organism, 68 Smack, 69 Whetstone, 70 Hans Brinker's gear, 71 Part of a sent., 72 The Treasure State, 74 Gave way, 75 In a crooked manner, 76 Useless, 77 Actress, Neagle, 78 Docker, Abbr., 79 Aleutian Island, 80 Ramcor, 81 Galloway Bay's islands, 82 "Girls", 83 100 lbs. in the U.S., 84 Program item, 85 Begote a foal, 86 Glimpses, 87 Dam birds, 88 Tide for Muslim V.I.P.'s, 89 One of Cleopatra's attendants, 90 D.C. figs., 91 Mother of Cyllanestra, 92 All right, 93 Magnon

Solution to Puzzle of Nov. 5. A crossword puzzle grid with filled-in words.

Crossword puzzle grid with clues for Across and Down.

# "I wonder if the little guy had fun today?"



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